

**REPORT OF BUSINESS AND PERFORMANCE MANAGER**

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**SUBJECT:  
PRESENTATION OF ANNUAL IMPROVEMENT REPORT BY WAO**

Purpose of Report

To introduce a presentation of the Annual Improvement Report by Wales Audit Office.

Background

The Wales Audit Office publishes an Annual Improvement Report on this Authority and is required to formally present the report to members.

Proposal

John Roberts from Wales Audit Office will present the report (see attached) and answer Members' questions.

Recommendation

**That Members RECEIVE the report.**

For further information contact Alan Hare on 01646 624810

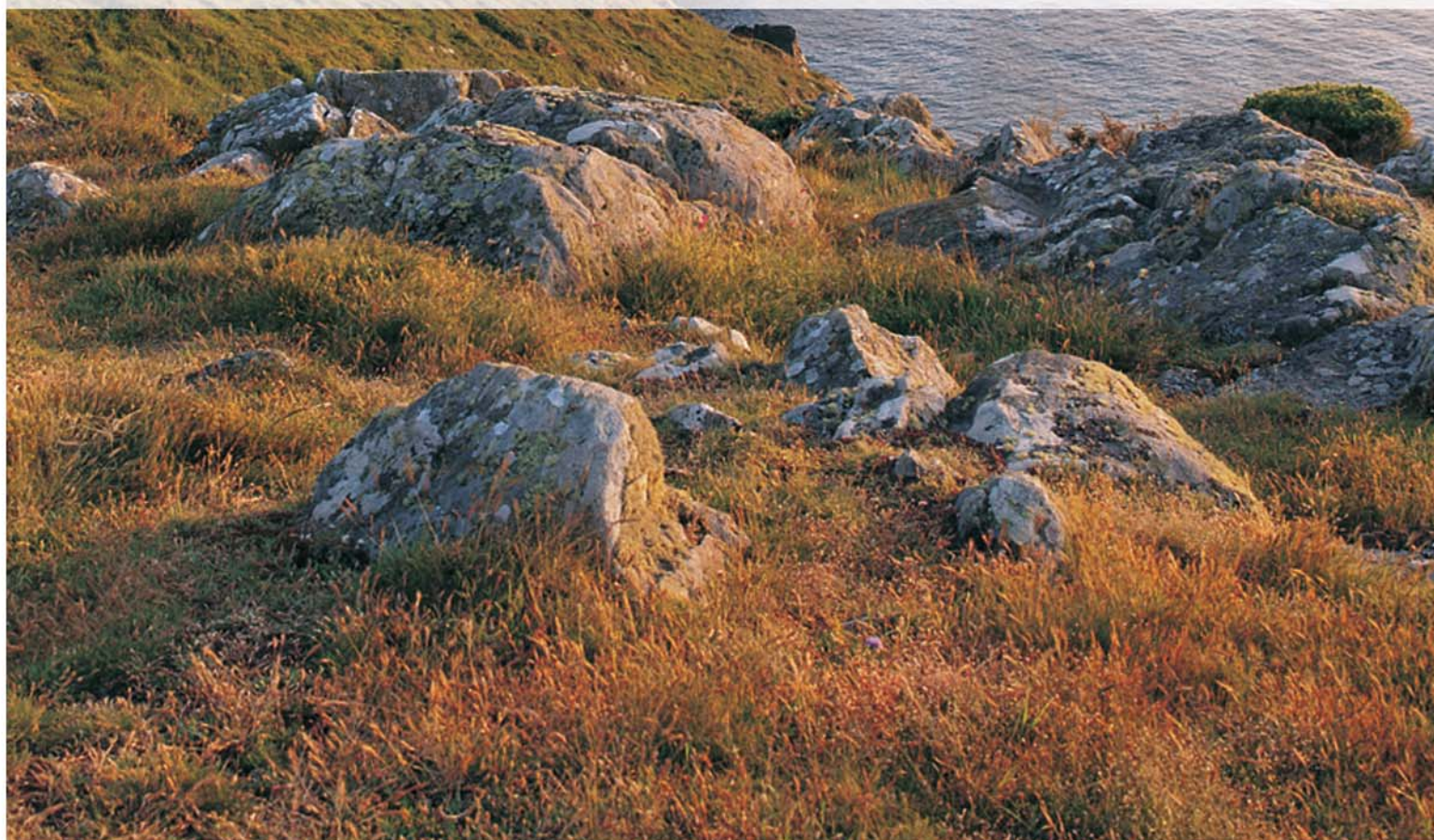


WALES **AUDIT** OFFICE  
SWYDDFA **ARCHWILIO** CYMRU

# Annual Improvement Report

## Pembrokeshire Coast National Park Authority

Issued: January 2012  
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# About the Auditor General for Wales

The Auditor General is independent of government and is appointed by Her Majesty the Queen. He leads the Wales Audit Office and is held accountable by the Public Accounts Committee of the National Assembly for the Wales Audit Office's work.

The Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. The Auditor General's appointed auditors are responsible for the annual audit of the majority of public money spent in Wales, including the £15 billion of funds that are voted to Wales annually by the Westminster Parliament. Nearly £5.5 billion of this funding is passed by the Welsh Government to local government in the form of general and specific grants. Local government, in turn, raises a further £2.1 billion through council tax and business rates.

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The Wales Audit Office aims to make public money count, by promoting improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across the Welsh public sector.

Huw Vaughan Thomas, Auditor General for Wales, was supported by Alan Morris and John Roberts in conducting the Improvement Assessment and producing this report.

# Contents

<b>Summary report</b>	<b>4</b>
<b>Proposals for improvement</b>	<b>5</b>
<b>Detailed report</b>	
Introduction	7
Overall, the Authority has made significant progress in many key areas, and it continues to develop its approach to measuring and reporting its performance	8
The Authority has made significant progress in its arrangements for delivering improvement in key areas	9
The Authority is improving the way it helps people to enjoy and understand the park and there is a general trend of improvement in how well it looks after the Park	11
There is a general trend of improvement in how well the Authority looks after the Park, despite setbacks in a few aspects	11
The Authority is delivering measureable improvement in the way it helps people to enjoy and understand the Park, although there may be options for making more effective use of Oriell y Parc	14
The Authority's approach to evaluating and reporting on its performance and on its arrangements for delivering improvement continues to mature, although there is a risk of underestimating the value of making comparisons	17
<b>Appendices</b>	
<b>Appendix 1</b>	
Status of this report	20
<b>Appendix 2</b>	
Useful information about Pembrokeshire Coast National Park and the Authority	21
<b>Appendix 3</b>	
Annual Audit Letter to the Members of Pembrokeshire Coast National Park Authority	22
<b>Appendix 4</b>	
Pembrokeshire Coast National Park Authority's improvement objectives	24

# Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the Wales Audit Office and relevant Welsh inspectorates, this report presents a picture of improvement over the last year. The report is in three main sections, which cover the planning, delivery and evaluation of improvement by Pembrokeshire Coast National Park Authority (the Authority).
- 2 The Auditor General has concluded that, overall, the Authority has made significant progress in many key areas, and it continues to develop its approach to measuring and reporting its performance.
- 3 We found that the Authority has made significant progress in its arrangements for delivering improvement in key areas. For example, it has strengthened links between its improvement objectives and its performance management arrangements, updated its human resource and information technology strategies, identified new measures of success that it can use to assess its performance and reduced its costs.
- 4 We also found that the Authority is improving the way it helps people to enjoy and understand the Park and there is a general trend of improvement in how well it looks after the Park. We based this conclusion on the following:
  - There is a general trend of improvement in how well the Authority looks after the Park, despite setbacks in a few aspects.

When we looked at aspects of looking after the Park such as biodiversity, historic buildings at risk and carbon emissions we found that in each area there were examples of improvement, but also examples of short term decline or missed targets. The Authority's planning service made significant progress in some areas, but fell back in others, although performance was generally better than in recent years.
  - The Authority is delivering measureable improvement in the way it helps people to enjoy and understand the Park, although there may be options for making more effective use of Oriel y Parc.

In 2010-11, the Authority extended its network of paths, opened others for wider use and attracted more walkers. Its education service was used by more schools and by more pupils. Feedback from users of both its education service and visitor centres was positive. The space available within the Oriel y Parc visitor centre may not be being fully used to help deliver the Authority's priorities.
- 5 Finally, the report comments on the Authority's own assessment of its performance and arrangements. We concluded that the Authority's approach to evaluating and reporting on its performance and on its arrangements for delivering improvement continues to mature, although there is a risk of underestimating the value of making comparisons.

# Proposals for improvement

- 6 We have not made any statutory recommendations in this report. However proposals for improvement are set out below.

Proposals for improvement	
<b>P1</b>	Strengthen its assessment of success by incorporating data from other sources, such as the State of Wildlife in Pembrokeshire report by the Pembrokeshire Biodiversity Partnership.
<b>P2</b>	Confirm that the service level agreement (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.
<b>P3</b>	In future years, ensure that the Authority's improvement plan includes relevant comparisons of performance with other authorities.
<b>P4</b>	Strengthen its risk assessments to take account of the risks of impact on the delivery of priorities.

# Detailed report



## Introduction

- 7 This report was prepared by the Wales Audit Office on behalf of the Auditor General. On [page 2](#) you can find a brief explanation of what the Auditor General does.
- 8 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. [Appendix 1](#) provides more information about the Auditor General's powers and duties under the Measure. The Annual Improvement Report provides a picture of what each council or authority in Wales is trying to achieve and how it is going about it, and draws on the work of other inspectorates where appropriate. This report also sets out the progress the Authority has made since the Auditor General published his last Annual Improvement Report, taking account of the Authority's own self assessment.
- 9 Throughout the report, we set out what the Authority needs to do to improve its services. Given the wide range of services provided and the challenges facing the Authority it would be unusual if we did not find things that can be improved. The Auditor General is able to:
  - recommend to Ministers of the Welsh Government that they intervene in some way;
  - conduct a special inspection and publish the report with detailed recommendations;
  - make formal recommendations for improvement – if a formal recommendation is made, the Authority must respond to that recommendation publicly within 30 days; and
  - make proposals for improvement – if we make proposals to the Authority, we would expect it to do something about them and we will follow up what happens.
- 10 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at [info@wao.gov.uk](mailto:info@wao.gov.uk) or writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.



## **Overall, the Authority has made significant progress in many key areas, and it continues to develop its approach to measuring and reporting its performance**

- 11 We do not undertake a comprehensive annual review of all authority arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge and the findings of the work we have prioritised to be undertaken this year. In doing so we have also looked at any improvement objectives the Authority set out to achieve in 2010-11. Where relevant, these improvement objectives are referred to in each of the following sections. Inevitably, any assessment is dependent on the quality and relevance of the information made available.

## The Authority has made significant progress in its arrangements for delivering improvement in key areas

- 12 In July 2011 the Auditor General issued a Corporate Assessment Update letter to the Authority's Chief Executive. The letter concluded that the Authority was pressing on with the improvement agenda, with changes to the committee structure, a better-than-expected financial settlement and improvements to performance management arrangements. These changes were all contributing to better prospects for the achievement of the Authority's priorities. The *Corporate Assessment Update* also noted that the Authority's improvement objectives for 2011-12 and its improvement plan (called the *Corporate Strategy 2011-2014*) met the requirements of the Measure but that there were missing links between its improvement objectives and the measures of success, actions to deliver and relevant performance indicators set out in its improvement plan. These issues, together with the Authority's need to collect some baseline data, undermined the Authority's ability to monitor progress.
- 13 The process of drafting and finalising the Authority's Improvement Objectives for 2011-12 was based on public consultation and included a series of meetings and workshops involving members and a total of 130 staff. This process was intended to build ownership of these priorities by all staff and members.
- 14 The Authority has responded positively to the proposals for improvement set out in the Corporate Assessment Update and in our 2010 *Annual Improvement Report*. In particular, the Authority has strengthened the links between its improvement objectives and the performance management arrangements that were already in place for ensuring delivery of its strategic priorities.
- 15 Other areas of progress include:
  - updating human resource and information technology strategies;
  - completing a mapping exercise of all existing strategies and policies so as to identify any further requirements for updating or addressing inconsistencies;
  - identifying and incorporating additional measures of success into the Authority's performance management framework that can help to assess progress towards achievement of objectives;
  - a continuing trend in the reduction of days lost due to sickness absence; and
  - being the first planning authority in Wales to introduce the SWIFT computer system to support the work of the planning enforcement service.
- 16 Cost savings achieved by the Authority ensure that it is more able to meet the challenges of reduced public funding. In 2010-11 salary costs were reduced by £64,000. This was primarily through early retirements and voluntary redundancies, with the Authority taking the opportunity to restructure the planning department. Travel costs reductions of £36,000 were also realised in 2010-11. A consultation exercise with staff on changing terms and conditions resulted in changes to the original proposals. This engagement with staff about ways to reduce costs has meant that, despite some initial concerns, staff have, so far, responded positively to the changes. Although these changes are only now bedding in, and further staff restructuring is being considered, the Authority should soon be better placed to deliver services more efficiently and effectively.

- 17 The Authority's 2010-11 objective to 'demonstrate that the Authority operates to a high standard of governance' is clearly relevant to a consideration of its arrangements for improvement. In his *Annual Audit Letter*, issued on 29 November 2011, the Appointed Auditor made the following comment on the Authority's annual governance statement:
- "The Annual Governance Statement was a new requirement for 2010-11. Whilst the Statement was completed in line with the relevant guidance, there is scope to improve on this for future years. In particular, in reporting where the Authority has reviewed the effectiveness of governance arrangements as part of the normal course of its business and how the year-end review of effectiveness is documented, including a formal opinion from the Head of Internal Audit."
- 18 In the *Annual Audit Letter*, which is reproduced in full in [Appendix 3](#), the Appointed Auditor reports that he issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Authority's financial position and transactions. He also noted that, during the year, the Authority revised its committee structure and established the Audit and Corporate Services Review Committee. The Committee's terms of reference include work in relation to external audit, the annual Statement of Accounts and the Annual Governance Statement. The financial audit engagement team will work with officers and members of the Committee to assist it undertake these new responsibilities.
- 19 The Authority has produced a members' action plan and is implementing a members' development programme, which includes induction training and the appraisal of members. It has been awarded the Welsh Local Government Association (WLGA) Members' Charter. The Charter provides a broad framework for member development, self-assessment, action and review. Although average members' attendance at meetings increased from 78 per cent in 2009-10 to 81 per cent in 2010-11, some members have not taken the opportunity to become fully involved in the Authority's development programme. The Authority will need to ensure that all members are engaged with its development programme if it is to achieve the WLGA Advanced Charter<sup>1</sup>.
- 20 The Welsh Language Board (the Board) praised the Authority for developing a new, fully bilingual corporate website. The Board also praised the Authority for taking initial steps toward mainstreaming the Welsh language into its main policies and strategies and for introducing language awareness training to team leaders. The Authority holds information on the language skills of its staff, and appears able to provide a basic Welsh language service in its main contact centre, but is unable to do so in its visitor centres. The Board commented that the Authority's Annual Monitoring Report on the implementation of the Welsh Language scheme failed to provide sufficient information on numerous aspects on the implementation of the scheme and failed to address the Board's monitoring requirements.

<sup>1</sup> The advanced charter is being developed to take account of the changing landscape for member support and development emerging from the Local Government (Wales) Measure 2011.

## The Authority is improving the way it helps people to enjoy and understand the park and there is a general trend of improvement in how well it looks after the Park

21 This part of the report sets out how well the Authority is delivering improvement in the priority areas that it has set in its improvement objectives in 2010-11. Inevitably, any assessment is dependent on the quality and relevance of the information made available.

### There is a general trend of improvement in how well the Authority looks after the Park, despite setbacks in a few aspects

22 Improvement objectives for 2010-11 that are relevant to delivering improvements in how the Authority looks after the Park include:

- 'to conserve and enhance the natural beauty, wildlife and cultural heritage of the park area';
- 'contribute to combating climate change and the reduction of Wales' ecological footprint'; and
- 'to provide a planning service which satisfies applicants, stakeholders and protects the National Park'.

23 In 2010-11, approximately 2000 hectares within the Park were managed for conservation with the Authority's support; the same as in 2009-10. During the 1970s, fears about the effect of grants becoming available to agriculturally improve land, led to National Park Authorities being given the power to enter into agreements with farmers which paid compensation on a 'profits foregone' basis for not improving the land. The Authority has a number of local agreements with farmers aimed at encouraging farming in an environmentally sensitive way. During 2010-11, the Authority initiated one new

management agreement. Two management agreements were not renewed, although one of these was migrated into the Glastir scheme<sup>2</sup>. Over recent years, 30 woodland sites within the Park have received grants. Seven new grant applications were received by the Authority during 2010-11, all of which were successful.

24 Historic buildings at risk, expressed as a percentage of all listed buildings, remained at 6.9 per cent, which was higher than the Authority's own target of 6 per cent, but an improvement on the 7.7 per cent reported by the Authority in 2008-09. Figures provided to the Authority by Cadw<sup>3</sup> suggest that 36 per cent of scheduled ancient monuments were in a worsening condition. This was a new measure for 2010 11 so it is not possible to assess whether or not the situation is improving. Although only nine historic building grants were issued in 2010-11, compared to 11 in 2009 10 and a target of 10 grants, all the available funding was used.

25 The Authority surveys three key species of bird each year – Skylarks, Choughs and Shelducks. Since a variety of factors that are outside the Authority's control impact on wildlife within the Park, most notably weather, it is likely to be more meaningful to look at trends, rather than variations from year to year:

- shelduck broods are counted when the young are brought onto the water and show a gradual increase in numbers from 2007 to 2010 but a decrease in 2010-11;
- the number of Chough territories increased gradually between 2007 and 2010 and

<sup>2</sup> A sustainable land management scheme being introduced by the Welsh Government.

<sup>3</sup> The Welsh Government's historic environment service.

showed a significant increase during 2010-11; and

- skylark numbers, based on the number of nests located, increased gradually between 2007 and 2010 but there was a slight decrease in 2010-11.

26 Some of these changes can be linked to the actions that the Authority has taken. For example, the increase in the number of territories occupied by Choughs, from 48 to 70 in 2010-11, is likely to have been influenced by the Authority increasing its management of coastal slopes which, in turn, led to an improved food supply. An assessment of species numbers and biodiversity can never be an exact science but a consistent methodology for making estimates, such as is being used by the Authority can at least, help to identify and respond to longer term trends.

27 The above figures should be viewed in the context of generally diminishing bird populations throughout the UK. For example, the estimated UK trend for skylark populations is a reduction of 15 per cent between 1995 and 2009<sup>4</sup>.

28 The Authority has worked with partners to publish the *State of Wildlife in Pembrokeshire* report.<sup>5</sup> This was a study on the current state of the flora and fauna in Pembrokeshire. The report does not distinguish between wildlife in and outside of the Park itself, it does include a detailed biodiversity assessment map. Although the Authority did not use the information to assess current progress, it does recognise that the report has the potential to provide a useful assessment of biodiversity values for the Park and, as such, could

provide a valuable baseline against which to evaluate future progress.

29 The Authority had set itself a target of reducing its own electricity consumption by 10 per cent in 2010-11 but only managed a reduction of 2.8 per cent. The Authority experienced problems with the control equipment at Oriely Parc, which incorporates a photo-voltaic array of solar panels and ground-source heat pumps, and which normally consumes approximately 40 per cent of the Authority's total electricity consumption. If the figures for Oriely Parc are taken out of the equation, the reduction in electricity consumption was 5.1 per cent.

30 Continued promotion of home working as part of flexible working; increased use of video conferencing; and more efficient approach to the use of transport all helped the Authority to play its part in combating climate change. The average home to work travel per employee was reduced by approximately 10 per cent and business travel by car was reduced by over 31,000 miles. Further reductions in CO<sub>2</sub> emissions are envisaged as the Authority plans to buy more efficient vehicles during 2011-12.

31 Overall, the Authority estimated that it achieved a reduction of 2.32 per cent in CO<sub>2</sub> emissions. If savings from commute to work behaviour is included, the Authority estimates the reduction to be over 6 per cent.

32 Making the right decisions on planning applications, and getting the backing of a government appointed planning inspector for those decisions if applications go to appeal, helps to protect the Park from unwanted

<sup>4</sup> *The State of the UK's Birds 2011*, published by the Royal Society for the Protection of Birds.

<sup>5</sup> Published in March 2011 by the Pembrokeshire Biodiversity Partnership.

developments. We noted that, in the past, the Authority was generally winning more than two-thirds of planning appeals, although its success dipped to below half in 2009-10. This trend has been reversed with 65 per cent of determined appeals upholding the Authority's decision.

33 In 2009-10 the Authority made significant improvements in its speed in determining all planning applications. From being worse than the average for all local planning authorities<sup>6</sup> in Wales it became faster than average and the best of the three national parks in Wales. However, in 2010-11, the average time to determine an application increased from 55 to 60 days. It was a similar story with the number of planning applications determined within eight weeks where the improvement from 56 per cent in 2008-09 to 72 per cent in 2009-10 fell back to 66 per cent in 2010-11, although this exceeded the target set by the Welsh Government. The retirement of one of the Authority's senior planners meant that a key post was vacant for almost six months, which would have contributed to the dip in performance.

34 On a more positive note, the backlog of planning application decisions was significantly reduced to such an extent that the Welsh Government's planning statistics for the period ending March 2011 suggest that the Authority has by far the lowest backlog in processing planning applications (in percentage terms) across Wales. The Authority was the first in Wales to adopt a Local Development Plan and it has introduced a number of new planning policies and supplementary planning guidance to support the Plan.

35 While speed of processing may be an issue that influences public satisfaction, it may not be the most important factor. The Authority has not yet taken steps to identify the features that would satisfy applicants and stakeholders. It is therefore relying on information that is either required to be collected by legislation or that has been traditionally collected, rather than collecting information and using locally devised indicators to help demonstrate progress towards achieving this objective. This should not prevent the Authority from comparing performance with other, similar, organisations, where those organisations use the same measures.

36 Some of the improvements to the Park during 2010-11 that the Authority has delivered or has been instrumental in delivering include:

- finalising a management plan and beginning implementation of a programme of work to improve species bio-diversity at South Hook;
- refusing 12 planning applications on the basis that developments would detrimentally affect the landscape;
- improving views by removing 28 power line supporting poles and relaying 1.3 km of underground cables at Strumble Head;
- launching a green coastal corridor project designed to extend a biodiversity corridor along coast line and cliff tops; and
- mapping kestrel nest sites, monitoring breeding and identify feeding patterns.

<sup>6</sup> Local authorities (councils) are also planning authorities.

**The Authority is delivering measureable improvement in the way it helps people to enjoy and understand the Park, although there may be options for making more effective use of Oriel y Parc**

- 37 Improvement objectives for 2010-11 that are relevant to delivering improvements in how the Authority helps people to enjoy and understand the Park include:
- 'to provide opportunities for sustainable and enjoyable recreation'; and
  - 'to promote greater understanding of the special qualities of the National Park'.
- 38 The total length of footpaths and other rights of way which were easy to use by members of the public increased slightly in 2010-11, from 86 to 87.4 per cent. The number of walkers<sup>7</sup> continued to increase (by 6 per cent), although by less than in 2009-10 (9 per cent). Over the years, the Authority has developed over 70 routes, covering over 50 kilometres, providing a range of different walking opportunities. The Authority plans and grades these routes so that people can access the Park in ways that suit their individual circumstances. They include circular walks, gentle strolls, wheelchair and easy access walks. These are mapped and signposted and search facilities are available on the Authority's website so that appropriate routes can be identified in advance by those wishing to go walking in the Park. Groups that continue to access the Park include those with visual impairment, those with mental health issues and socially deprived groups.
- 39 As well as some limited 'off-road' opportunities, bridleways are marked, using a standard system that is used throughout England and Wales, and these are available for use by horse-riders and cyclists. An additional 9 kilometres of paths were opened up to multi-use during 2010-11. In the past these were barely suitable for walkers but can now be used by both cyclists and horse riders. This extra facility, including the provision of an adjoining car park suitable for horseboxes, was instrumental in the Authority receiving an award from the Horse Society for its work on increasing the Park's accessibility for horse riders.
- 40 Use of the Authority's education service increased during 2010-11. One hundred and six schools, some from outside Pembrokeshire, used the service, 14 of these for the first time, compared with 81 schools in 2009-10. The number of pupils using the service also increased, from 8,737 to 9,013 in 2010-11. In addition just over 8,000 school children visited Carew Castle and Castell Henllys in 2010-11, a similar number to 2009-10. Based on a new measure introduced by all three Welsh National Park Authorities, 75 per cent of school groups gave education service events and visits an inspiration score of 10 or higher<sup>8</sup>.
- 41 During 2010-11, the Authority introduced charges for its education service, based on a review of education service usage. The Authority introduced charges as it was concerned that, because the service was free, some schools might be over-using the service, including for other than strictly educational purposes. The Authority also wanted to

<sup>7</sup> As measured by coastal path fixed point counters.

<sup>8</sup> Inspiration scores range from one to 11, with 11 being the highest level of inspiration.

explore ways of raising revenue. It held discussions with local schools before deciding to make these changes and, in the event, take up of the service was not affected by the introduction of charges. The Authority retained the resulting revenue for its educational service, thereby allowing it to use occasional paid, part time discovery rangers, rather than having to rely wholly on volunteers.

- 42 The Authority's website was relaunched in October, with over 158,000 visits recorded during 2010-11 and its Facebook and Twitter facility continues to attract more interest.
- 43 The Authority believes that poor weather during the summer and part of the Easter school holidays, falling into the 2009-10 financial year, led to a decrease of 2.4 per cent in the number of people using its visitor centres. However, 96 per cent of those visitors surveyed said that they were satisfied with their experience.
- 44 A key Authority facility that we looked at as part of exploring how the Authority works collaboratively is the Oriel y Parc (the Oriel) gallery and visitor centre in St Davids. This centre is run in partnership with the National Museum of Wales, the Authority providing the facility free of charge. The Museum's desire to house its Graham Sutherland art collection somewhere in Pembrokeshire and the Authority's aim of promoting understanding led to the signing of a service level agreement (SLA) between the two parties in December 2007.
- 45 The oversight of the Oriel was the responsibility of the Authority's own Oriel y Parc committee until it was disbanded in January 2011. Issues are now dealt with by a combination of member involvement through the Authority's Recreation and Understanding Scrutiny Committee<sup>9</sup> and regular meetings between National Museum of Wales and the Authority's staff. Working relationships between the two organisations are positive.
- 46 Our inspection of Oriel y Parc showed it to be a high quality facility. It is of modern construction and well signposted. It incorporates a reception desk, promotional area, commercial area, cafe and art gallery together with outside seating and picnic areas. The art gallery section contains a number of art objects, with, in some cases, explicit links to fauna and flora and other features of the Park.
- 47 The art gallery does attract some visitors who are not initially interested in the Park. However, we weren't sure whether or not the use of the art gallery section to display quality art and attract tourists makes the best use of that space to support delivery of the Park's priorities. The Authority may be paying an opportunity cost in providing significant space within the Oriel, free of charge, for the National Museum of Wales. It is important that the Authority ensures that the SLA represents good value for money in terms of its ability to contribute towards its priorities, either directly or indirectly. The SLA continues in force until December 2017, with continuation of arrangements subject to an annual review. However, in practice, any changes before 2014 are likely to be constrained by the

<sup>9</sup> For the purposes of the SLA this now operates as the Oriel y Parc Committee.



conditions associated with the £1.6 million of European Union Objective 1 funding secured to help finance the building of the Oriel.

- 48 In 2010-11, the National Museum of Wales lost its Arts Council grant for an artist in residence. The Authority decided to fund this initiative itself. The Authority has turned this to its advantage by using local artists, sometimes for free, and by ensuring that the focus of the resulting work with school children and others is linked to one or more of the Authority's priorities.

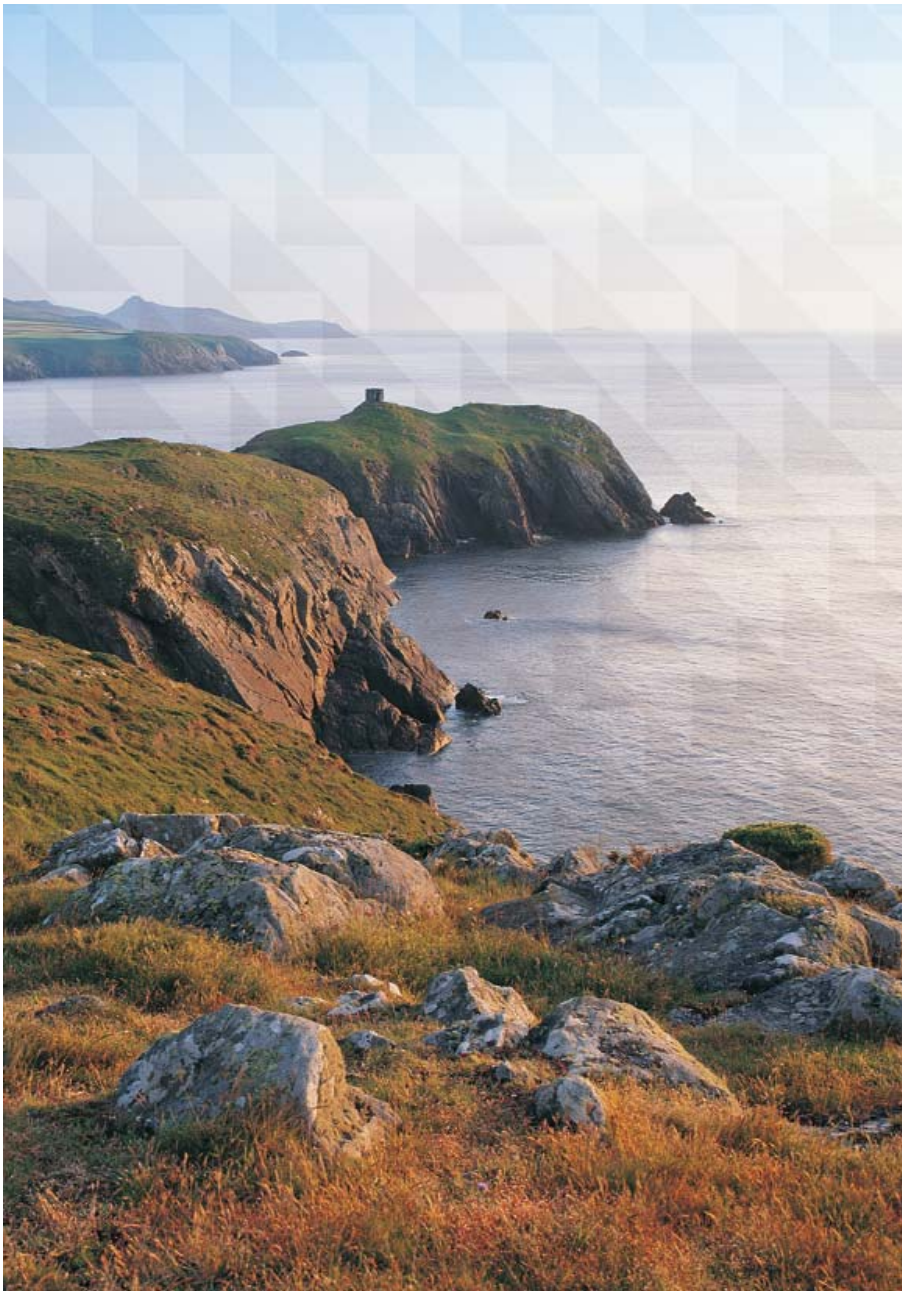
## The Authority's approach to evaluating and reporting on its performance and on its arrangements for delivering improvement continues to mature, although there is a risk of underestimating the value of making comparisons

- 49 In July 2011, the Authority published its self-assessment of its performance during 2010-11. This document included a number of useful features including:
- setting out clearly the actions taken against each 2010-11 objective;
  - a summary of progress against each objective; and
  - a concise format that was easily accessible to readers.
- 50 The Auditor General has determined that the authority has discharged most of its duties in relation to publishing improvement information; however it has failed to include comparisons with the performance of other Welsh improvement authorities and other public authorities.
- 51 When planning its approach to delivering its 2010-11 objectives, the Authority did not identify meaningful measures of success in a number of areas. Consequently, for 2010-11, it has measured progress primarily by the actions and activities that it has undertaken, rather than by an assessment of whether those actions have achieved the desired outcomes and impacts. The Authority has published performance information that includes comparisons with its performance over the previous year. However, it has not sought to benchmark its performance with other comparable organisations, such as the other two national park authorities in Wales. The Authority published its self-assessment before other authorities' data had been audited and published, but some of that information would have been available if requested.
- 52 The Authority employs the widely-used Ffynnon system to record and monitor performance data and to present information to members at the Authority's scrutiny committees. Recently it was agreed that two of the Authority's members would receive training and access to this system, allowing them to interrogate the system at any time. This access to Ffynnon by members is being run as a pilot, with a view to extending this facility to all interested members. The three National Park Authorities have established a shared area within Ffynnon that will allow each authority to compare its own progress on some performance indicators against the other two authorities on a regular basis. Currently, this area is not kept up to date by all three authorities – an example of the further development that will be required in order to maximise the potential of the Ffynnon system.
- 53 As reported in our *Corporate Assessment Update*, the Authority has replaced the single Performance Review Committee with three new review committees, each acting as a scrutiny committee and focusing on a different aspect of the Authority's work. Although we support the rationale for this change, the terms of reference for each committee has not yet been formalised and it is too early to say whether this new approach is making a difference. The Authority continues to be involved in the Welsh Government funded Scrutiny Project, looking at ways in which scrutiny within National Park Authorities in Wales can be improved.
- 54 We were pleased to see that quarterly reports to the Authority's committees focus on the Authority's improvement objectives, rather than on reporting by service area. This approach helps to ensure a better

understanding of progress towards achieving priorities, encourages a move away from traditional silo-working and re-emphasises the importance of these priorities for members and for staff.

- 55 The Authority is developing an approach to risk management with a view to identifying and mitigating risks. Although the format of its risk register is still being discussed, it originally focused on assessing impact primarily around financial costs, without due regard to consequences for achievement of priorities.

# Appendices



## Appendix 1

### Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual Improvement Assessment, and to publish an Annual Improvement Report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges duties under section 19 to issue a report certifying that he has carried out an Improvement Assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual Improvement Assessment is the main piece of work that enables the Auditor General to fulfil his duties. The Improvement Assessment is informed by a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority's track record of improvement. This report also summarises the Auditor General's conclusions on the Authority's self-assessment of its performance.

The Auditor General may also in some circumstances carry out special inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22). The Auditor General will summarise audit and assessment reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

An important ancillary activity for the Wales Audit Office is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

## Appendix 2

### Useful information about Pembrokeshire Coast National Park and the Authority

#### The Authority

Pembrokeshire Coast National Park Authority spends approximately £7 million per year (2010 11). This equates to about £310 per resident. In the same year, the Authority also spent £185,000 on capital items.

The Authority consists of 18 members, 12 nominated by Pembrokeshire County Council, and six appointed by the Assembly Government. These members make decisions about priorities and the use of resources.

The 1995 Environment Act specifies that the purposes of the Authority are to:

- conserve and enhance the natural beauty, wildlife and cultural heritage of the Park area; and
- promote opportunities for the understanding and enjoyment of the special qualities of the area by the public.

The 1995 Act also states that in pursuing these purposes, the Authority has a duty to seek to foster the social and economic well-being of local communities. The Authority is the statutory planning authority for its area.

#### Corporate Management Team

- The Chief Executive and Head of Paid Service is Tegryn Jones
- The Director of Planning and Conservation is Jane Gibson
- The Director of Recreation, Marketing and Communications is James Parkin
- The Head of Business Management is Alan Hare
- The Finance Manager is Richard Griffiths
- The Administration and Democratic Services Manager is Janet Evans
- The Solicitor for the Authority is David Prescott

For more information, see the Authority's own website at [www.pcnpa.org.uk](http://www.pcnpa.org.uk) or contact the Authority at Pembrokeshire Coast National Park Authority, Llanion Park, Pembroke Dock, Pembrokeshire, SA72 6DY.

## Appendix 3

### Annual Audit Letter to the Members of Pembrokeshire Coast National Park Authority

The auditor appointed by the Auditor General issued the following auditor's letter on 29 November 2011.

**Pembrokeshire Coast National Park Authority complied with its responsibilities relating to financial reporting and the use of resources, and there are areas where further improvements can be made for future years**

It is the Authority's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 issued by the Auditor General requires me to:

- provide an audit opinion on the accounting statements;
- review the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

On 29 September 2011, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Authority's financial position and transactions. My report is contained within the Statement of Accounts.

From 2010-11 local authorities (including national park authorities) in Wales are required to produce their accounts based on International Financial Reporting Standards. The introduction of these new standards imposed significant additional demands on the Authority's finance staff but, despite these additional pressures, the accounts were prepared by the statutory deadline.

There were a small number of matters arising from the accounts audit that were reported to members in my Audit of Financial Statements report at the time the Statement of Accounts was approved. There are some areas relating to the property register that will need to be considered for improvement during the coming year, which I have reported to officers.

My review of the Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government Measure (2009). The main findings from this latter work will be set out in the AIR.

In addition I also bring the following issues to your attention:

- The Annual Governance Statement (as I reported at the time the audit opinion was given) was a new requirement for 2010-11. Whilst the Statement was completed in line with the relevant guidance, there is scope to improve on this for future years. In particular, in reporting where the Authority has reviewed the effectiveness of governance arrangements as part of the normal course of its business and how the year-end review of effectiveness is documented, including a formal opinion from the Head of Internal Audit.
- During the year, the Authority revised its committee structure and established the Audit and Corporate Services Review Committee. The Committee's terms of reference include work in relation to external audit, the annual Statement of Accounts and the Annual Governance Statement. My engagement team will work with officers and members of the Audit and Corporate Services Review Committee to assist the Committee undertake its new responsibilities.

I issued a certificate confirming that the audit of the accounts has been completed on 29 September 2011.

The financial audit fee for 2010-11 is currently expected to be in line with that set out in the Annual Audit Outline.

Anthony Barrett  
Appointed Auditor



## Appendix 4

# Pembrokeshire Coast National Park Authority's improvement objectives and self-assessment

### The Authority's improvement objectives

The Authority is required by the Welsh Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Authority intends to do to improve. The Authority must do this as soon as possible after 1 April each year.

The Authority published its improvement objectives for 2010-11 in its Improvement Plan 2010/11 and its improvement objectives for 2011-12 in its Corporate Strategy 2011-2014. These can be found on the Authority website at [www.pembrokeshirecoast.org.uk](http://www.pembrokeshirecoast.org.uk). They are:

2010-11 Improvement Objectives	2011-12 Improvement Objectives
<p><b>1</b> To conserve and enhance the natural beauty, wildlife and cultural heritage of the park area.</p>	<p><b>1</b> Our planning service has improved significantly over the past two years and we must build on this improvement so that our planning service is consistently amongst the top six in Wales.</p>
<p><b>2</b> To provide opportunities for sustainable and enjoyable recreation.</p>	<p><b>2</b> The standard of footpath maintenance will be maintained although the budget is reduced by 3 per cent.</p>
<p><b>3</b> To promote greater understanding of the special qualities of the National Park.</p>	<p><b>3</b> More people encounter the key messages of the National Park through visiting our centres.</p>
<p><b>4</b> Contribute to combating climate change and the reduction of Wales' ecological footprint.</p> <p><b>5</b> To provide a planning service which satisfies applicants, stakeholders and protects the National Park.</p>	<p><b>4</b> We will increase the number of 'hard to reach' participants taking part in our events and activities from 1,800 to 2,000.</p>
<p><b>6</b> To demonstrate that the Authority operates to a high standard of governance.</p>	



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