

South Downs National Park Authority

Annual Governance Statement 2015-16

Version 1

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Responsibility	Chief Executive
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Approved by	Governance Committee

ANNUAL GOVERNANCE STATEMENT FOR SOUTH DOWNS NATIONAL PARK AUTHORITY 2015-2016

1. Scope of Responsibility

- 1.1 Through carrying out its general statutory duties and responsibilities in connection with the two national park purposes, the South Downs National Park Authority (the SDNPA) seeks to work for and with the local community to foster the social and economic wellbeing of communities within the National Park.
- 1.2 The SDNPA 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.
- 1.3 The SDNPA 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.
- 1.4 In discharging this overall responsibility, the SDNPA is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of the Authority's functions which includes arrangements for the management of risk.
- 1.5 The SDNPA has approved and adopted a Local Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE guidance Delivering Good Governance in Local Government Framework. The Local Code of Corporate Governance sets out agreed criteria against which the effectiveness of the governance framework will be assessed. This statement explains how the Authority has complied with the Local Code and meets the requirements of Regulation 6(1) of the Accounts and Audit (England) Regulations 2015 for the Authority to prepare an annual governance statement.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the SDNPA is directed and controlled. The framework also includes the Authority's activities through which it accounts to, engages with and leads the community. It enables the SDNPA to monitor the achievement of its strategic priorities and to consider whether these priorities have led to the delivery of appropriate, cost-effective services.
- 2.2 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, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.3 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 aims, objectives and policies, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.
- 2.4 The governance framework has been in place within the SDNPA for the year ended 31 March 2016 and up to the date of approval of the annual report and Statement of Accounts.

3. The Governance Framework

- 3.1 The key elements of the systems and processes that comprise the SDNPA's governance arrangements are summarised below.

Vision and Leadership

- 3.2 The SDNPA's purposes, vision and intended outcomes for residents, visitors and other service users are identified in a range of policy documents set out in our Local Code of Corporate Governance. The overarching vision for the management for the South Downs

was agreed in July 2012 and is included in the Partnership Management Plan which was launched in 2014 (the 5 yearly review of the PMP may incorporate a review by partners of the shared vision as deemed necessary). The plan was developed with partners and delivery partnerships have been put in place to ensure the objectives are met. The Vision and emerging priorities will also be reflected in the Local Plan which is currently being developed.

- 3.3 The SDNPA's Corporate Plan (which can be found on the website) has undergone a review process, with a revised plan scheduled to be agreed by the NPA in September 2016 following the implementation of the organisational restructure. This document sets out the high level objectives and priorities for the three year period (2014-2017) and sets out in some detail proposals for the forthcoming financial year. The Corporate Plan also sets out our values.. The Partnership Management Plan drives the objectives and priorities for the organisation. The Corporate Plan 2014-2017, continues the process by linking directly to the objectives for the Partnership Management Plan.

Service Quality

- 3.4 Progress against the SDNPA's objectives, and the National Park Authority performance indicators, is identified via quarterly and annual performance reporting. The Performance Management Framework has been revised to reflect the development of high level objectives for the Partnership Management Plan. Performance is monitored by the Governance Committee with policies and strategies in place to ensure that the SDNPA makes best use of resources. The approach to performance monitoring is set out in the Performance Management Framework.
- 3.5 The Aspireview Performance Management system is used to produce performance information for Corporate Plan performance reporting. Information about projects has been incorporated into the system and is used regularly to report on project progress to Members and others. The PMP indicators have been uploaded into the system and are reported on via this system.

Decision Making

- 3.6 The SDNPA's Standing Orders, Scheme of Delegation, Financial Regulations, Contract Standing Orders and other procedures prescribe how the Authority operates and how decisions are made to ensure that these are efficient, transparent and accountable to local people.
- 3.7 There is a programme for reviewing and updating key documentation. We have a research and evidence strategy which ensures that comprehensive, good quality data is available to base our decisions on and allow us to monitor progress. Committee reporting templates have also been reviewed and updated to ensure these capture all relevant information to inform member decision making and promote consistency.
- 3.8 Each of the SDNPA's three committees has distinct terms of reference. Meetings of the Authority and its committees are held in public (save for individual items of a sensitive nature properly considered in private session, in line with LGA 1972) with publicly available agendas and minutes published on the Authority's website. Members of the public may ask questions and make representations on relevant matters at meetings in accordance with a defined protocol for public engagement, which enshrines the rights of the public to address meetings. The Authority began to webcast meetings of the Full Authority and Planning Committee during 2015. An archive of webcast meetings is maintained on the Authority's website.
- 3.9 The roles and responsibilities of the Members and officers are further defined in Member/Officer job descriptions and there is a Local Protocol for Member and Officer Relations. The roles of Chief Executive, Monitoring Officer and Chief Finance Officer are filled. The SDNPA has a range of contracts for key support services. This includes the

provision of the Chief Finance Officer and Monitoring Officer functions. In reaching this decision the SDNPA took into account the governance requirements of CIPFA's Statement on the role of the Chief Finance Officer in Local Government (2010).

- 3.10 The contract for the provision of financial services and Chief Finance Officer support has operated during the year. The CFO function continues to be performed under this contract by the Deputy Director of Finance at Brighton and Hove City Council.
- 3.11 There are agreed protocols for consultation with the Monitoring Officer, CFO or Deputy CFO on key decisions and advice to the Authority and its Committees. Arrangements are in place for the Deputy CFO to attend management meetings on the CFO's behalf in order to ensure a sound understanding of the organisation's key priorities and risks. Contracts for the provision of ICT and legal services have also operated during the year.

Risk management

- 3.12 The SDNPA has established a systematic strategy, framework and processes for managing risk. A corporate risk register is maintained, and reviewed on a quarterly basis at meetings of the Governance Committee. This enables relevant risks to be identified and evaluated, with consideration given to appropriate mitigation strategies. Directorate level risk monitoring is in place. Risk is also monitored at project level. There is an escalation process from project and directorate risk registers to the corporate risk register.

Conduct and behaviour

- 3.13 There are Codes of Conduct for Members and officers in place and performance appraisal processes for both. Training is given to new Members on the Code of Conduct as part of the induction process and there is a Register of Members' Interests. The Authority operates successor standards arrangements for the conduct of Members following the implementation of the Localism Act 2011. The Governance Committee is responsible for monitoring the ethical framework of the Authority and has implemented the outcomes of a review, instigated by the Authority's Independent Person, of the processes for managing complaints against Members of the Authority. The independent Person submits an annual report to the Governance Committee on Member Standards Issues and potential improvements in policy and practice. A number of changes have been implemented as a result of this process.
- 3.14 The Member Code of Conduct was reviewed and an updated code was agreed by the NPA in 2016. This update added additional guidance in relation to personal interests. The member complaints handling process has also been reviewed and updated.
- 3.15 An annual update on complaints received is considered by the Governance Committee, so that the Authority can seek service improvement. The SDNPA has a Whistleblowing Policy, with confidential reporting arrangements in place to enable internal and external whistleblowing. This policy and the associated arrangements were reviewed by internal audit during 2014/15 with a number of improvements implemented in 2015. There is an Anti-fraud and Corruption Policy in place.
- 3.16 Competencies have been incorporated into the performance and development review process for staff. These are now a key part of the performance appraisal process.

Financial accountability

- 3.17 The SDNPA's Financial Regulations and Procedures provide a framework for the management of the Authority's financial affairs and were reviewed and updated in March 2015. The SDNPA has a Treasury Management Policy and Annual Investment Strategy which were both reviewed and updated at the meeting of the NPA in March 2015. Monitoring of the operational budget was conducted during the year and findings incorporated into the

budget planning process for 2016-2017. Contract Standing Orders set out arrangements governing the award of contracts, to ensure that procurement processes are fair transparent and lawful, and that best value for money is being obtained. Payment of allowances to Members is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.

- 3.18 Members have a key role in providing assurance that the Authority's funds are used economically, efficiently and effectively in accordance with agreed policies. The financial strategy and budget is agreed by the Authority following scrutiny by all members via a series of workshops and formally by the Policy and Programme Committee. The Governance Committee receive reports on budget monitoring. The Authority's Governance Committee has a membership that includes two independent members and undertakes the core functions of an audit committee. The Authority has appointed an Independent Person as required to oversee complaints about the conduct of Members. This ensures the provision of appropriate skills and experience in the scrutiny of the Authority's arrangements for financial control, risk management and standards of conduct, and enhances transparency.
- 3.19 The Authority's accounts are subject to external audit on an annual basis and reported to the Governance Committee at a public meeting. An Internal Audit service is provided under a service level agreement by Brighton and Hove Council's Internal Audit Services. A review of the system of internal audit to ensure compliance with the Public Sector Internal Audit Standards was carried out in May 2016. The Authority's external auditors, Ernst and Young, review the appropriateness of internal audit arrangements and accordingly place reliance on the work done where applicable.
- 3.20 All contracts since June 2013 have been procured through e-sourcing using the In-tend system.

Constructive working relationships between officers and Members

- 3.21 Compliance with relevant legal requirements and the SDNPA's procedures is facilitated by a range of controls. Policies are in place to regulate how the Members and officers use the resources available to them. The Local Protocol for Member and Officer Relations was revised in December 2013.
- 3.22 The SDNPA receives legal advice and Monitoring Officer support as appropriate via separate contracts with West Sussex County Council and Hampshire County Council. This advice includes input into significant Committee/Authority papers. In 2015-2016 no formal reports by the Monitoring Officer, further to section 5 of the Local Government and Housing Act 1989, were necessary.

Skills and Learning for staff and Members

- 3.23 Member and Officer learning and development needs are identified and met through induction programmes, the Performance and Development Review process, the Learning and Development Policy for officers (with individual staff learning and development plans) and the Member Development Protocol. There are annual Member discussions about development needs between individual members and the Chair of the Authority. There have been a number of formal and informal training sessions for Members on various aspects of their responsibilities and to aid the development of policy. This has included sessions on the impact of proposed infrastructure, ecosystems services, the Local Plan & the Authority's Purposes and Duty, nature improvement areas as well as charring skills. Workshops have also been run on the setting the Authority's budget.
- 3.24 Budget managers have access to one to one support for budget management and also briefings on Financial Procedures and administration, further budget management and closedown. All financial guidance and procedure notes are available on the Authority's Intranet. Specific procurement training has been provided to Rangers on specification, evaluation and contract management. Key staff who will manage above threshold tenders

have been trained in the new EU Procurement Directive. Staff working on the LSTF Project have received procurement training and key staff involved in supplier selection have achieved CIPS pass in Ethical Procurement and Supply in 2015.

Clear relationships with Partners and the public

- 3.25 A key element in the SDNPA's guiding principles is working with partners and community groups. The SDNPA has therefore developed and maintained a range of relationships and arrangements with other agencies in the public, private and voluntary sectors, to ensure that they are able to engage with and contribute to the work of the Authority. The SDNPA has an Accord with Natural England and Memoranda of Understanding with the South Downs Network and South Downs Land Management Group. A Memorandum of Understanding with the Association of Local Councils within the South Downs has also been agreed. The Authority has continued Member appointments to a number of local partner organisations and groups including the South Downs Local Access Forum, East and West Sussex Rural Forums. There is a formal reporting back mechanism for those SDNPA Members appointed to outside bodies. The SDNPA has a communication and engagement strategy and a Statement of Community Involvement.
- 3.26 The Authority is currently preparing a Local Plan for the National Park. When adopted the Local Plan will set out the planning policies for the South Downs National Park and all planning applications for development within the National Park will be judged against these policies. This will be the first time that the National Park will be planned for as a single entity.
- 3.27 During this consultation the Authority directly notified over 1300 stakeholders, including town, parish and district councils, local interest groups, national organisations and agencies, estates and other landowners and infrastructure and service providers.
- 3.28 The Authority has also continued to work closely with partners on the roll out of its shared identity and has engaged partners in its communications and engagement working group.
- 3.29 Members of the Authority formally meet with the South Downs Partnership and meetings are held with landowners, farmers and other key stakeholders at least annually.

4. Review of Effectiveness

- 4.1 The SDNPA 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 the work of the Senior Management Team and other officers within the Authority who have responsibility for the development and maintenance of the governance environment, the Principal Audit Manager annual internal audit report, the work done to review the Local Code of Corporate Governance, and also by responding to comments and recommendations made by external auditors and others.
- 4.2 The annual review exercise, which incorporated a review of the Local Code of Corporate Governance, was initiated by the Director of Corporate Services and the Monitoring Officer and included consultations with the Strategic Management Team, the Chief Finance Officer, the Deputy Chief Finance Officer and the Principal Audit Manager.
- 4.3 The Internal Audit Annual Opinion is that reasonable assurance can be provided that an effective system of internal control is in place at the SDNPA for the year ended 31 March 2016. There were no limited assurance opinions given in the year but five reviews resulted in a reasonable assurance opinion
- 4.4 The SDNPA's Chief Finance Officer and Monitoring Officer have also provided assurance that there have been no significant control issues which have:
- Required the need for formal action in their respective roles,

- Required the need for significant additional funding not already provided for within the approved budget,
 - Had a material impact on the accounts; or
 - Resulted in significant public interest, damaging the reputation of the Authority.
- 4.5 Although a review of the effectiveness of the Governance arrangements is reported once per year to the Authority, the process of gathering evidence and monitoring performance is continual and is managed through reports to the Authority and to the Governance, and the Policy and Programme Committees and through the improvement planning process. Management action required to maintain effective governance arrangements evident from reports and from other management reporting processes is taken throughout the year.
- 4.6 We have been advised on the implications of the result of the review of the effectiveness of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

5. Governance issues

5.1 No significant governance issues have been identified. The following key areas of work have been conducted during 2015-2016:

- Delivery of an induction programme for new members post May 2015 elections
- Introduction of webcasting to promote transparency and engagement
- Improvements to the Authority's intranet site to better share information
- Implemented the recommendations contained within the Internal Audit report on IT Governance

5.2 Actions for 2016-2017 include the following:

- Implementation of organisational restructure
- Implementation of new Operation Management Team arrangements
- Implementation of review of PDR process
- To continue to monitor and respond to risks and audit recommendations in relation the delivery of the Planning function
- To keep a watching brief on developing devolution bids and any potential implications for partnership working with related authorities and/ or the membership of the SDNPA

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Chair

M. A. P. A.

Date: 19/7/16

On behalf of the SDNPA

Chief Executive Officer

T. Beth

