

**South Downs National Park Authority**

**Annual Governance Statement 2019-20**

<b>Review Date</b>	
<b>Responsibility</b>	Chief Executive
<b>Last updated</b>	
<b>Date approved</b>	
<b>Approved by</b>	Policy& Resources Committee

## **ANNUAL GOVERNANCE STATEMENT FOR SOUTH DOWNS NATIONAL PARK AUTHORITY 2019-2020**

### **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 frameworks also include 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. It is also a driver for the delivery of the Authority's outcomes and objectives, by contributing to the Authority's culture and empowering staff and members to act.
- 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 2020 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 of the South Downs was agreed in July 2012 and is included in the Partnership Management Plan (PMP) which was launched in 2014. The 5 yearly review of the PMP was completed in 2020 and an updated PMP published. The plan was originally developed with partners and delivery partnerships have been put in place to ensure the objectives are met. These have been reviewed to ensure they remain fit for purpose and updated as necessary, including the addition of a new objective relating to Health and Wellbeing. This review included input from a member led working group set up to deliver this process.

- 3.3 The Local Plan sets out how the National Park Authority will manage development over the next 15 years. This is based on the statutory purposes and duty for national parks. The Local Plan builds on the framework of the South Downs National Park Partnership Management Plan. The PMP sets out an overarching strategy for the management of the National Park and the Local Plan policies deliver many of the outcomes and policies set out in the PMP.
- 3.4 The SDNPA's Corporate Plan has undergone a further review to simplify and improve the format which makes it easier for staff and those outside the Authority to identify priorities and how we will measure them. This document sets out the high level objectives and priorities for the organisation and sets out detailed proposals for the forthcoming financial year. The Corporate Plan also sets out our values. The Corporate Plan is reviewed and adjusted annually as part of the budget and priority setting process.

#### Service Quality

- 3.5 Progress against the SDNPA's objectives, and the National Park Authority performance indicators is identified via quarterly and annual performance reporting to the Policy and Resources Committee and Planning Committee. The Performance Management Framework reflects the development of high level objectives for the Partnership Management Plan. Performance is monitored by the Policy & Resources 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. Key data sets, as specified by Defra are reported to allow for national data comparison.

#### 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 ensure these capture all relevant information to inform member decision making and promote consistency. These templates have been periodically reviewed to ensure they are effective and provide Members with the necessary information for them to deliver their decision making responsibilities.
- 3.8 Each of the SDNPA's committees has distinct terms of reference, which are kept under review and, where necessary, updated by the NPA. 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 continues to webcast meetings of the Full Authority, Planning Committee and Policy and Resources. An archive of webcast meetings in the last 6 months is maintained on the Authority's website and is publicly available. How committee information is made

available to the public has been reviewed and improved, ensuring papers are easier to find on the Authority website. The Authority is nearing completion of a transition to an online system for the publication of committee papers, which supports the Authority's existing commitment to encouraging public participation and aligns with the webcasting of meetings and will involve committee papers (except where these are exempt) being published via a downloadable app and facilitate a move to paperless meetings. This will be completed in 2020/21.

- 3.9 Following on from the 2017 review of governance the Authority operates a series of "task and finish groups" to undertake in-depth work and analysis of key issues, prior to presentation to committee or the Authority for decisions. Each Group has terms of reference which are agreed by its parent committee or the full Authority and are supported by senior officers and where appropriate specialist advisors.
- 3.10 The Authority has also embedded processes to oversee the delivery of the Infrastructure business plan and for allocating monies generated through the community infrastructure levy
- 3.11 The Authority's governance framework is kept under review by the Head of Governance, Monitoring Officer and Chief Finance Officer who are responsible for ensuring that the framework complies with changes in legislation, regulations, codes or guidance issued by government departments, regulatory bodies or relevant professional bodies. Committee and Officer Delegations and terms of reference are also kept under review to ensure that the governance framework reflects changes in roles and responsibilities of committees, members and/or the executive.
- 3.12 The roles and responsibilities of the Members and officers are 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 Financial Officer in Local Government (2010). A review of member role descriptions has been undertaken and this is awaiting agreement by the NPA prior to wider communications.
- 3.13 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 CFO, appointed by the Authority, and the CFO's nominated Deputy Chief Finance Officer at Brighton & Hove City Council.
- 3.14 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 CFO's nominated deputy 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.
- 3.15 During this year the Authority has agreed to progress with the acquisition of Seven Sisters Country Park which will involve the Authority undertaking activities for a commercial purpose and the Authority will be considering the implications of this on its wider operations and governance as part of its ongoing work programme

Risk management

- 3.16 The SDNPA has established a systematic strategy, framework and processes for managing risk. A corporate risk register is maintained and has been reviewed on an ongoing basis at meetings of the Policy & Resources Committee as well as being subject to regular review by Operational Management Team (OMT). 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.

- 3.17 In addition to the annual health and safety report which is presented to Members, the Authority is in the process of delivering an action plan arising from an independent review of the Authority's health and safety arrangements which is being overseen by the officer health and safety committee and OMT. Additional resource has been employed to provide more hands-on and direct health and safety advice.
- 3.18 The Authority's insurance arrangements have been kept under review and updated as new risks identified.

Conduct and behaviour

- 3.19 There are Codes of Conduct for Members and officers, which have been the subject of an internal audit review during this period, 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 refresher training is provided. 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 Appointment Management & Standards Committee is responsible for monitoring the ethical framework of the Authority. The Authority has appointed two independent persons to oversee complaints about the conduct of Members. Arrangements are in place for the Independent Persons to submit an annual report on Member Standards Issues and potential improvements in policy and practice.
- 3.20 A review of the Members' Code of Conduct has been undertaken and is pending agreement of the Authority. This reflects new guidance issued by the Cabinet Office and best practice identified through the Committee on Standards in Public Life's review of local government ethical standards. Throughout the year guidance has been issued to Members on the management of standards issues.
- 3.21 Specific action has been taken to address the potential for a perceived conflict of interest involving the S151 Officer, in relation to treasury management.
- 3.22 An annual update on complaints received is considered by the Policy and Resources 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 whistle-blowing. There is an Anti-fraud and Corruption Policy in place.
- 3.23 Competencies have been incorporated into the performance and development review process for staff and a staff and member working group have developed and communicated a series of corporate values. A staff survey was undertaken in 2018 from which an action plan had been developed to address issues arising. The findings of the survey have been presented to all staff and the action plan has been developed by a staff group and reported to SMT and OMT. A review of the staff PDR process has been undertaken and changes are due to implemented during 2020/21.

Financial accountability

- 3.24 The SDNPA's Financial Regulations and Procedures provide a framework for the management of the Authority's financial affairs are subject to ongoing review. The SDNPA has an approved Capital Strategy, Treasury Management Policy and Annual Investment Strategy detailing its approach and risk appetite for managing financing, treasury and non-treasury investments. Monitoring of the operational budget is conducted during the year and findings incorporated into the budget planning process.
- 3.25 Payment of allowances to Members is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 and an independent review of allowances was undertaken in 2019 which concluded in early 2020 and was presented to the NPA at its AGM, following a delay arising from the Covid 19 pandemic.
- 3.26 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. The Policy & Resources Committee receives regular reports on budget monitoring and treasury management performance and has a membership that includes two independent members. This committee undertakes the core functions of an audit committee. This ensures the provision of appropriate skills and experience in the scrutiny of the Authority's arrangements for financial control and risk management and enhances transparency.

- 3.27 The 2020/21 budget saw the introduction of allocated budgets to the Authority's Theme Programme boards enabling these boards to be more responsive to opportunities to deliver projects on the ground. The work of the Boards is presented to P&R Committee and is driven by the objectives set out in the PMP and Corporate Plan. Budget allocations are agreed by the NPA through the budget setting process and reflect the relative priorities of the Authority, as well as the differing needs of each of the boards. The boards are led by senior managers within the Countryside and Policy Management directorate, who are each accountable for the spend and delivery against targets.
- 3.28 The Authority's accounts are subject to external audit on an annual basis and reported to the Policy & Resources Committee at a public meeting. An Internal Audit service is provided under a service level agreement by Brighton & Hove City Council's Internal Audit Services. The outcome of internal audits are reported to the Policy and Resources Committee and the full reports are sent to the Chair and Deputy Chairs and the Independent Members of the committee. An independent and external review of internal audit to ensure compliance with the Public Sector Internal Audit Standards was carried out in January 2018. The Authority's external auditors, Grant Thornton review the appropriateness of internal audit arrangements and accordingly place reliance on the work done where applicable.
- 3.29 All contracts since June 2013 have been procured through e-sourcing using the In-tend system, or through National frameworks. Significant contracts let in the last 12 months include the contract for ICT provision and desk side support. The Legal services and monitoring officer contracts have been extended in line with the terms of these contracts.

Constructive working relationships between officers and Members

- 3.30 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.
- 3.31 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 2019-20 no formal reports by the Monitoring Officer, further to section 5 of the Local Government and Housing Act 1989, were necessary.
- 3.32 Senior managers and Committee chairs and deputy chairs meet monthly in an informal capacity to horizon scan and consider the forward management of Authority business. Although this is not a decision making body it allows for a constructive dialogue between officers and Members and ensure activity is informed by a wide range of views.

Skills and Learning for staff and Members

- 3.33 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 Climate change, biodiversity, and planning as well as delivery of the member induction programme. The Covid 19 pandemic cut short the 2019/20-member development programme as it became impossible for Members to meet together in person. A programme of “micro forums” has therefore been introduced. These are on line workshop style events aimed at ensuring Members continue to play their full role in guiding the development of Authority policy. Micro forums have been held on cultural heritage and continuing Member discussions around the Authority’s response to the climate change emergency. Programmed Members’ Code of Conduct training will be revisited as soon as possible in 2020/21.
- 3.34 An e-learning platform is maintained as part of a blended approach to training delivery. This includes a series of mandatory courses to be undertaken by all staff as well as optional courses focussing on personal development and growth. These courses are also available to Members. Completion of courses is linked to the annual performance assessment process.
- 3.35 Mid-Year and end of Project evaluations are reported to the Policy and Resources Committee and key learning is identified from these and used to inform the development of future projects and ways of working, this is also reviewed by an officer working group to ensure best practice is shared within the Authority.
- 3.36 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. Contract management training has been provided to relevant staff, with a particular focus on the Countryside and Policy Management Directorate.

Clear relationships with Partners and the public

- 3.37 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 is also in place and communications with parishes and local communities has been the subject of consideration at the Authority’s Policy and Resources Committee during 2019. The Authority has continued Member appointments to a number of local partner organisations and groups including the South Downs Local Access Forum, Coast 2 Capital LEP and the South Downs National Park Trust. There is a formal reporting back mechanism for those SDNPA Members appointed to outside bodies which are considered as a standing item at meetings of the NPA. The SDNPA has a communication and engagement strategy and a Statement of Community Involvement.
- 3.38 We continue to work with neighbourhood planning groups across the breadth of the National Park, to prepare neighbourhood plans that respect the purposes and duty of the National Park Authority and enhance the special qualities the National Park

- 3.39 Whole Estate Plans are seen as a key way of deepening engagement with estates and landowners, and these plans are subject to consideration by the Policy and Resources Committee, and involve visits to the estate to help Members and officers understand the issues facing land owners in the National Park. A review of the processes associated with the delivery of WEPs has also been undertaken. This review involved Members of both the P&R and Planning committees and will be presented to Members for sign off when completed.
- 3.40 The Authority publishes a monthly e-newsletter to provide regular updates to 6,000 subscribers on the work of the Authority and activities within the National Park. Through its media work in the first four months of 2019 alone, has reached an audience of 21 million people. We distribute 50,000 copies of our biannual publication, South Downs View and have an average of roughly 60,000 visitors to our website monthly and the website has recently undergone a thorough review and updating to ensure it is an appropriate vehicle to promote the Authority's messaging. The Authority has engaged directly with 18,000 people in 19/20, an increase of 5,000. This was a result of the increasing popularity of our Dark Skies events and our strategy of engaging with groups underrepresented in the SDNP (young, urban BAME) by visiting town centres, festivals and BME specific events like Southampton Mela. The Authority has also created youth ambassador roles to strengthen engagement with young people across the National Park.
- 3.41 The SDNP Citizens Panel currently consists of over 1,500 people living within or near the National Park. Panel members are surveyed twice a year on a variety of subjects, including awareness of the increase in and impact of vineyards in the National Park, suggestions for how farmers might diversify after Brexit, interest in micro volunteering opportunities and awareness of the work of the South Downs National Park Trust. The Research Team writes all research questions in collaboration with colleagues and only includes questions where we are able to act on the research results and recommendations. All feedback from the Panel is shared with the relevant colleagues/teams and this information is utilised in their work. Panel members also participate in ad hoc studies such as testing our Local Plan Policies maps, testing and providing detailed feedback on our website and inputting into the Peoples' Choice Award preferred designs.
- 3.42 Following the establishment of the South Downs National Park Trust by the Authority, the Authority has implemented protocols, agreements and practices to manage its relationship with the Trust, whilst ensuring shared aims. Although the Trust is an independent body, the NPA appoints two members to its board and the chair of the Trust is invited annually to present to the Authority on its work. A midyear update on the activities of the Trust is provided by officers. The Trust complies with the reporting requirements of the Charity Commission and Companies House and has adopted a range of policies that set out how it will operate, including an ethical policy, whistle blowing policy and complaints policy. The Trust also publishes an annual report.
- 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 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 Head of Governance and the Monitoring Officer and included consultations with the Strategic Management Team, the Chief Finance Officer and the Internal Auditor.



- 4.3 The Internal Audit Annual Opinion is that substantial assurance can be provided that an effective system of internal control is in place at the SDNPA for the year ended 31 March 2020. Of the five audits undertaken, there were three reasonable assurance opinions given in the year, along with two substantial assurance opinions. The Coronavirus pandemic meant that the planned audit of Procurement and Contract Management was suspended and will therefore be considered for inclusion within our 2020/21 audit plan.
- 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 or reporting 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 its 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 2019-2020:
- Induction of 14 new members post 2019 election
  - Implementation and go live of paperless meetings projects
  - Provision of Internal Audit training for Members of P&R Committee
  - Review of Contract Standing orders, Financial Procedures and Financial Regulations completed\*
  - Review of both Members' and Officer's Codes of conduct\*
  - Members' allowances scheme reviewed\*
- \* Due to changes in the operation of the Authority in response to the Covid 19 pandemic, these reviews were completed but have not yet been presented for final decision
- 5.2 Actions for 2020-2021 include the following:
- Continuing review of policy framework
  - Further embedding of processes related to paperless meetings
  - Delivery of Members' Code of Conduct training
  - Implementation of changes arising from the review of the staff PDR process
  - Finalising processes associated with the delivery of WEPs
  - Finalising update of Members' Code of Conduct
  - Induction of new Authority Chair / Deputy Chair
  - Induction of up to 5 new Secretary of State appointed members

- Review of governance structures to ensure learning from Covid 19 Pandemic is embedded in governance arrangements
- Review of governance arrangements to ensure adequate provision in place to address any issues arising from the establishment of the Authority's commercial arm

5.3 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

Chief Executive Officer

Date:

On behalf of the SDNPA