



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

Brecon Beacons National Park Authority

Report by the Auditor General for Wales

Preliminary Corporate Assessment – July 2010



Ref: 379A2010

Image courtesy of Brecon Beacons National Park Authority.

The Auditor General's Corporate Assessment Team for the Brecon Beacons National Park Authority was led by John Roberts (Improvement Assessment Lead) under the direction of Alan Morris (Partner).

Effective leadership has laid firm foundations for improvement and the Authority recognises that more work is required; although sustaining the momentum that will lead to further improvement remains a challenge

**Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ
Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone: 029 2032 0660
E-mail: info@wao.gov.uk
Website: www.wao.gov.uk**

This document has been prepared for the internal use of the Brecon Beacons National Park Authority as part of work performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

No responsibility is taken by the Wales Audit Office (the Auditor General and her staff) and, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales (and, where applicable, her appointed auditor) is a relevant third party. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@wao.gov.uk.



Contents

Summary	4
Part 1: How the Authority has approached improvement over time	6
The Authority's positive response to identified weaknesses has led to significant improvements in its arrangements but limited capacity is impairing prospects for future improvement	6
Serious problems highlighted by the Authority's planning function contributed to a major overhaul of the corporate management team and to improved arrangements across the organisation	6
The introduction of significant improvements in areas such as governance allows the Authority to be better placed to secure future improvement	7
Further changes are planned but limited capacity means that some initiatives are either falling behind schedule or will take a long time to complete, affecting the Authority's ability to deliver future improvement	7
Part 2: Analysis of the Authority's arrangements to help it improve	8
Effective leadership and improved governance are the Authority's particular strengths, supported by its approach to people management and aspects of partnership working, but some important areas are still being developed	8
Leadership and governance are playing a significant role in supporting improvement	8
People management, joint working and the day-to-day management and control of the Authority's financial resources are positively supporting improvement	9
A range of policies and aspects of the Authority's business processes, together with a clearer and developing strategy, are partly supporting improvement	10
Although the Authority has started to develop a new approach to medium-term financial planning, this aspect is not yet supporting improvement	11

Summary

- 1 The Auditor General is required by the Local Government (Wales) Measure (2009) (the Measure) to undertake an annual Improvement Assessment for each improvement authority in Wales, that is local councils, national parks, and fire and rescue authorities.
- 2 In order to fulfil this requirement the Wales Audit Office will undertake:
 - a Corporate Assessment – an assessment of an authority’s arrangements to secure continuous improvement; and
 - a Performance Assessment – an assessment of whether an authority has achieved its planned improvements.
- 3 The approach is designed to enable a whole organisation assessment at each council to be undertaken in a standardised way. Taken together, these two assessments will form the basis of an annual report to citizens, known as the Annual Improvement Report.
- 4 The Auditor General has brought together her work, that of the Appointed Auditor, and that of other relevant regulators, to inform the Corporate Assessment. As this is the first year of a new approach, the assessment is a preliminary one, and this report should be viewed as a progress report. The Annual Improvement Report will also serve as an update for the Corporate Assessment.
- 5 In March 2010, the Auditor General identified the scale of the financial challenge facing public services in Wales in a report to the National Assembly A Picture of Public Services. The potential impact of spending reductions on local government has also been highlighted by the Welsh Local Government Association (WLGA), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). In evidence to the National Assembly’s Public Accounts Committee in June 2010, the WLGA noted ‘there is no escaping the fact that all parts of the public sector will have to examine current expenditure and service provision – the shortfall cannot be solved by efficiencies alone’. To meet this challenge, local authorities must fundamentally review the services they provide and how they are delivered, including considering options for increasing procuring rather than providing services and working in collaboration. It is in this context that the Corporate Assessment has been prepared.
- 6 This report sets out the findings of the Corporate Assessment only and is designed to answer the question: ‘Are the arrangements of the Brecon Beacons National Park Authority (the Authority) likely to secure continuous improvement?’
- 7 As this is our Preliminary Corporate Assessment, there are several areas where only limited work has been possible. We will continue to build on this and monitor progress in the



coming months to provide an update in our Annual Improvement Report to be issued in November.

- 8 The conclusion arising from our first Corporate Assessment is that effective leadership has laid firm foundations for improvement and the Authority recognises that more work is required; although sustaining the momentum that will lead to further improvement remains a challenge.
- 9 We based our conclusion on our assessment of the Authority’s progress over time and an analysis of the strengths and weaknesses of its arrangements to support improvement. These conclusions are explained in detail in Part 1 and Part 2 of the report respectively. We found that:
 - the Authority’s positive response to identified weaknesses has led to significant improvements in its arrangements but limited capacity is impairing prospects for future improvement; and
 - effective leadership and improved governance are the Authority’s particular strengths, supported by its approach to people management and aspects of partnership working but, some important areas are still being developed.

Special inspection

- 10 Based on the Corporate Assessment, the Auditor General does not intend to carry out a Special Inspection of the Authority under section 21 of the Measure.

Recommendations

- 11 The Auditor General has not made formal recommendations for improvement for the Authority under section 19 of the Measure nor recommended that Welsh Ministers should provide assistance to the Council by exercising their power under section 28 of the Measure or give a direction under section 29 of the Measure.

Areas for improvement

- 12 The assessment has identified the following areas where we propose the Authority considers taking action.

Exhibit 1: Areas for improvement	
P1	Without delay, explore ways to ensure the Authority has sufficient capacity to deliver planned improvements.
P2	Develop a corporate approach to workforce planning, that supports the Authority’s ability to deliver its priorities.
P3	Use data more effectively to manage performance, particularly ensuring a greater focus on outcomes.
P4	Ensure that medium term financial planning is clearly informed by the Authority’s priorities.

Part 1: How the Authority has approached improvement over time

The Authority's positive response to identified weaknesses has led to significant improvements in its arrangements but limited capacity is impairing prospects for future improvement

Serious problems highlighted by the Authority's planning function contributed to a major overhaul of the corporate management team and to improved arrangements across the organisation

- 13** Since 2005, the performance of the Authority's development control service was consistently below that of the average performance in Wales. At the beginning of 2008, the Authority was severely criticised by specialist lawyers it had commissioned to investigate failures surrounding the granting of planning permission for a caravan park.
- 14** During 2008, the Authority made changes to the management structure which resulted in a significant overhaul of its corporate management team, aimed at improving that team's performance. In September 2008, the Director of Countryside and Land Management was asked to act as Chief Executive while the post-holder was suspended.
- 15** In December 2008, the former Chief Executive left the employment of the Authority to pursue a new career. In April 2009, the Director of Countryside and Land Management successfully applied, under open competition, for the post of Chief Executive. He continued to act as Director of Countryside and Land Management until a replacement was appointed in October 2009. In the meantime, the restructure resulted in the deletion of two senior posts.
- 16** The management changes were partly designed to make it apparent where accountability rested for individual decisions within the organisation and to make the reporting systems more transparent; as well as providing the Authority with efficiency savings.
- 17** In September 2009, the Appointed Auditor issued an unqualified auditor's report on the 2008-09 Financial Statements, confirming that they were prepared in accordance with statutory requirements and presented fairly the financial position and transactions of the Authority.
- 18** In December 2009, the Relationship Manager and Appointed Auditor issued an Annual Letter on the financial statements, corporate arrangements and performance of the Authority. The Letter identified the key issues for the Authority at this time were the need for additional work on improving its built heritage work and the speed of determining all planning applications. The Authority recognised that it needed to develop its business continuity plans and its performance management



arrangements. At the end of 2009, the Authority and the new corporate management team decided to overhaul the way performance was managed in the organisation.

The introduction of significant improvements in areas such as governance allows the Authority to be better placed to secure future improvement

- 19** A key element of the Authority's response to the problems referred to in paragraph 13 is a fundamental review of its governance arrangements. Members are actively involved in reviewing scrutiny methodology and, although the review is ongoing, it has already delivered significant changes to the way the Authority operates, which are described in part 2 of this report.
- 20** Early indications are that the performance of the planning service has improved dramatically. For example, the Authority reports that 74 per cent of new planning applications from householders met statutory target deadlines compared with 42 per cent in 2008-09.

Further changes are planned but limited capacity means that some initiatives are either falling behind schedule or will take a long time to complete, affecting the Authority's ability to deliver future improvement

- 21** The Authority will not be immune from the national reductions in public spending that currently face so many organisations throughout the UK. The challenge of working with significantly reduced resources will be in addition to an ongoing challenge to develop arrangements that best focus on delivering improvements.
- 22** The Authority recognises the extent of this challenge and is carrying out a fundamental review of its medium-term financial planning. This review is in addition to the ongoing reviews of other areas such as governance arrangements, business processes and the Authority's business cycle. The Authority has also earmarked the Communication and Procurement Strategies for updating or development, although these are running behind schedule.
- 23** The corporate management team is smaller than in years gone by and, although it is making progress in driving forward change in a number of significant areas, it recognises that its limited capacity is already at full stretch in addressing its ambitious agenda.

Part 2: Analysis of the Authority's arrangements to help it improve

Effective leadership and improved governance are the Authority's particular strengths, supported by its approach to people management and aspects of partnership working, but some important areas are still being developed

Leadership and governance are playing a significant role in supporting improvement

- 24** The Authority has 24 members: eight appointed by the Assembly Government; eight from Powys County Council; two from each of Monmouthshire and Carmarthenshire County Councils; and one each from Merthyr Tydfil, Torfaen, Blaenau Gwent and Rhondda Cynon Taf County Borough Councils.
- 25** Lack of continuity of Authority membership sometimes undermines the Authority's work. New members can take some time to appreciate fully the differences in both structures and agenda between a national park authority and a local council. Training new members represents additional cost to the Authority. Changed membership also means that the expertise and experience of established members are lost to the Authority.
- 26** Although there is no statutory requirement under the Local Government Act 2000 for national park authorities to have a scrutiny role, scrutiny is an important part of good governance. The Authority, as with other National Park Authorities in Wales, was established in such a way that there is no 'ruling party' and therefore no 'opposition'. This makes internal scrutiny difficult since scrutiny of its decisions would essentially be by those who made them.
- 27** Scrutiny of service delivery is less of a problem. However, members of the audit and scrutiny committee are also part of the decision-making process of the Authority. In circumstances where service performance is largely governed by the Authority's decisions, some of the problems associated with self-scrutiny will therefore still remain.
- 28** The Authority is aware of these issues and, mindful of the role that weak governance may have had in relation to past problems, has strengthened this aspect of the Authority's arrangements. This includes:
- a member development strategy, with extensive training for members, linked to personal development interviews, and setting out objectives and outcomes;
 - a members' portal, accessible via the internet, that connects a range of features such as information exchange and decision and action-tracking facilities;
 - an inclusive review of the Authority's regulatory documents;



- a changed scrutiny process that members see as being potentially very effective; and
 - an ongoing review of scrutiny to identify further areas of improvement.
- 29** In addition, it is leading on a joint bid to the Assembly Government's Scrutiny Fund to explore ways of improving scrutiny. External scrutiny does take place through the Assembly Government and external review, such as by the Wales Audit Office.
- 30** A recent Wales Charter for Member Support and Development assessment, report by WLGA is very positive, quoting, for example, good officer and member relationships, effective support and development processes and struggles to find any weaknesses. Member attendance levels are above the average for the three Welsh national park authorities.
- 31** Members work closely with the new corporate management team, who are driving these changes forward. In talking to members and to 'front line' staff, we identified a very clear optimism about the way the Authority was changing, representing a move to a new, more inclusive and transparent, culture within the organisation.

People management, joint working and the day to day management and control of the Authority's financial resources are positively supporting improvement

- 32** The Authority has adopted a succinct, user-friendly people management strategy that clearly sets out a direction of travel. Managers and staff carry out performance appraisals quarterly, allowing barriers to performance to be identified more quickly. However, we received mixed messages about how onerous this frequency was for staff and managers.
- 33** The Chief Executive's own appraisal is carried out by the chair of the Authority, together with the chairs of two of its committees. The assessment is based on personal objectives that are designed to link to the Authority's corporate objectives. However, the personal objectives are not currently focused on outcomes, nor are they linked to realistic and meaningful measures of success.
- 34** The Authority delivers extensive training programmes for staff across a range of issues, linked to personal development plans. The use of professional coaching for key officers helps to equip them to take on current and future challenges, and the rotation of the chair of the corporate management team supports this approach. The training of members is mostly carried out internally and can have the added benefit of improving the skills and understanding of those staff involved.
- 35** Although the Authority does not have a corporate approach to workforce planning, it has carried out a review in the past of senior staff, leading to reductions and a restructuring at the highest levels. The Authority also redesigned its planning service structure in response to an assessment of likely need and has, as a result, made its own in-house arrangements for producing qualified planning staff.
- 36** The Authority is involved in joint working initiatives with a range of partners. These include one-off projects, joint appointments, commissioning others to carry out work on its behalf and representation at meetings with existing and potential partners. Examples include:

COLLABOR8; leading on a visitor transport partnership of 28 public and private bodies; organising Beacons Bus with a consortium of 14 local authorities and other public sector partners; a service level agreement to take on some of Powys County Council's Brecknockshire planning applications; and establishing a community and sustainability team to work with communities on various projects.

- 37 However, none of these initiatives are the result of the Authority having carried out a fundamental review of the options available to reconfigure corporate and frontline services. This preliminary report has not assessed the extent to which the Authority monitors whether joint working initiatives are delivering expected benefits.
- 38 The annual budget setting process allows for review and discussion on potential service changes and funding levels, with the assumptions used to set pay and non-pay costs. The budget is allocated to service managers and is monitored through formal monthly reports to budget holders and then the corporate management team, with quarterly reports prepared for members through the audit and scrutiny committee. Budget holders have access to the financial ledger that allows them to review the position at any time.
- 39 These arrangements ensure that the budget setting process takes account of service developments and that the budget monitoring arrangements support the achievement of financial and service plans.

A range of policies and aspects of its business processes, together with a clearer and developing strategy, are partly supporting improvement

- 40 A range of policies relating to employment, terms and conditions for staff and health and well-being are incorporated into the Authority's arrangements.
- 41 Regular exception and performance reports to the audit and scrutiny committee help to ensure that actions are monitored. A tracking system allows 'live' monitoring by members of progress on actions, making officers increasingly accountable for their performance.
- 42 Although the Authority already collects some data, it recognises that the use of more meaningful information could improve its management of performance. For example, the data that the Authority is collecting is often not sufficiently focused on outcomes, concentrating mostly on actions, rather than on what impact those actions have had, or are expected to have.
- 43 The Authority has jointly commissioned external consultants to develop comparison data for planning services across the three Welsh national park authorities. It is also taking part in results based accountability workshops. These steps, together with the Authority's recognition that measures of success need to be more focused on outcomes, should help it to develop arrangements that allow it to more effectively assess and manage its progress towards achievement of its corporate priorities.



44 A risk register is reviewed by the corporate management team, and discussed and approved by the audit and scrutiny committee. Training on risk management is provided internally and the Authority is exploring ways in which the Ffynnon pan-Wales performance management system can add value to the process. A report by Powys County Council's internal audit, commissioned by the Authority, found no major weaknesses in its risk management arrangements. However, the risks identified by the Authority focus primarily on processes, with no clear link to more significant improvement areas.

45 The Authority is currently carrying out an extensive and inclusive review and redesign of its business processes, using the same business process engineering methodology that the Authority saw as being successful when applied to its planning function. This work forms part of a review of its business cycle, the first stage of which has been to clarify terminology and to increase the understanding of both officers and members of the links between setting corporate objectives, reviewing progress and business and financial planning. The Authority will deliver subsequent stages when other priorities allow.

46 The Authority has recently agreed its four 'corporate goals' for 2010-11, together with annual objectives to support delivery of these goals. The Authority has taken the pragmatic approach of using previously collected and ongoing consultation responses to help arrive at its corporate goals. This approach makes effective use of limited resources while ensuring a degree of stakeholder involvement.

47 The Authority has not yet identified and agreed its improvement objectives but the intention is that they will be a sub-set of its new corporate objectives.

Although the Authority has started to develop a new approach to medium-term financial planning, this aspect is not yet supporting improvement

48 The Authority is aware of its current shortcomings in terms of how it can effectively plan how best to use its resources over a two or three-year period and of the financial challenges that face the public sector. The Authority is therefore carrying out a fundamental review of its approach to medium-term financial planning.

49 Negotiations about likely reduction in settlements in the coming years are ongoing between the Assembly Government and the Authority. Budget holders have been asked to identify potential efficiency savings in anticipation of the likely need for budget cuts, but only indicative targets have been given at this stage.

50 Meetings have already taken place between the corporate management team, members and staff to discuss the potential impact of settlement cuts, with the aim of sharing ideas about how the Authority can respond to reductions in funding. The intention is to involve staff and members in developing a series of possible scenarios, probably during September 2010, once the Authority knows the settlement reductions.