

## **ANNUAL GOVERNANCE STATEMENT 2016/17**

### **Scope of responsibility**

The New Forest National Park Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

The Authority 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.

In discharging this overall responsibility, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of the Authority's functions and which includes arrangements for the management of risk.

The Authority approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/Solace Framework Delivering Good Governance in Local Government. A review of compliance with the Code is carried out on an annual basis by the Chief Executive, Monitoring Officer and Chief Finance Officer. A copy of the Code is published on the Authority's website and can be obtained from Corporate Services.

This statement explains how the Authority has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of a statement of corporate governance.

### **The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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.

The system of internal control is based on an on-going process designed to identify and prioritise the risk to the achievement of the Authority's aims, objectives and policies, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

### **The Governance Framework**

The Local Code of Corporate Governance describes the Authority's governance framework in relation to the six core principles below and demonstrates how it complies with these:

- a. Focusing on outcomes for the community and implementing a vision for the local area;

- b. Working together to achieve a common purpose with clearly defined functions and roles;
- c. Promoting and demonstrating values through high standards of conduct and behaviour;
- d. Taking informed and transparent decisions and managing risk;
- e. Developing capacity to be effective; and
- f. Engaging with people to ensure accountability.

This code was first adopted by the Authority in June 2012; a review of the Code will take place in the summer of 2017/18.

Through carrying out its general statutory duties and responsibilities in connection with the two national park purposes, the Authority also seeks to work for and with the local community to foster the social and economic wellbeing of communities within the National Park.

### **Focusing on outcomes for the community and implementing a vision for the local area**

The Authority's purposes, vision and intended outcomes for residents, visitors and other stakeholders are identified in a range of policy documents. The overarching vision for the management of the Forest is set out in the Partnership Plan 2015 - 2020. The plan was developed and approved in 2015 following extensive community engagement; a total of 27 organisations are set to deliver the plan over the five years. This is the first such New Forest Partnership Plan and has encouraged a wide range of important stakeholders to put down in writing what they will be doing for the Forest during this time, increasing governance and accountability for all.

The Authority's Business Plan 2015 – 2018, also published in 2015, sets out the main framework for the work programme of the Authority over the three years based on its specific objectives and outcomes from the Partnership Plan. The annual Work Programmes presents an account and assessment of the Authority's activities, alongside the separate reports of its financial position and performance and are aligned to the Authority's purposes and duty of Protect, Enjoy, Prosper and Aiming for Excellence. Progress is monitored regularly by Executive Board and the Resources, Audit and Performance Committee. Particular attention is paid to the actions included in the Work Programme to ensure that targets and goals are clearly defined and focused with links to the relevant actions in the Partnership Plan set out at the end of each action.

The positive news received in the Government's Spending Review and Autumn Statement of 2015 with regard to grant funding over the next five years has provided an opportunity for the Authority to refocus resources towards developing medium-term strategic plans for key areas of work and to identify how the Authority and its partnerships can work together to achieve even more for the Forest. Following a Members' workshop on 7 July 2016, four key themes of our work were identified - Data and Evidence, Commercial Activity and Income Generation, Partnerships and Engagement and Organisational Development. Officers have been working up draft proposals on developing these themes setting out how these should be proceeded with over the coming years. A progress report on the four themes was considered by the Resources, Audit and Performance Committee in November 2016 which endorsed the proposals. Officers have included relevant actions from the various themes in the 2017/18 Work Programme and the themes will provide important direction for the new Business Plan starting 2018/19. Further areas of strategic work are being explored.

Management information is produced to assist with the measurement of performance including a number of performance indicators. Budgetary control reports are reviewed monthly by the Budget Holders and on a regular basis by the Executive Board and Resources, Audit and Performance Committee. The Committee also considers the Authority's medium-term financial position. The Medium-Term Financial Plan aligns resources to their priorities. Where performance slips this is further examined and action taken where possible.

The Authority continues to be very highly successful in attracting external funding into the area, leveraging around £13 for every £1 of funding we put towards partnership projects. It is also keenly investigating corporate partnerships (sponsorship) both internally and alongside the wider National Park family; in 2015 National Parks Partnerships Ltd was formed by the UK's 15 National Parks. Its remit is to create successful corporate partnerships that generate vital income to make a significant, sustainable and discernible contribution to the improved quality of UK National Parks and the benefits they offer for generations to come. Early in 2017, the Partnership secured its first corporate partnership on behalf of the 15 UK National Parks.

The Chief Executive reports to the Authority on the development and performance of the Authority overall. The Annual Report 2016/17, detailing the Authority's activities and achievements over this period is currently being drafted and will be considered at the Annual Authority meeting on 13 July 2017. In November 2012, the Authority participated in its most recent independent, peer-assessed, quadrennial 'National Park Authority Performance Assessment'. A copy of their final report, including recommendations, is available on the Authority's website.

The Authority has adopted and maintained a complaints process to enable complaints about the Authority's activities to be considered and responded to. Information on how to use the complaints process is available on the Authority's website. Information on complaints received is considered by the Authority's officers and lessons for service improvement are identified wherever practicable.

The Authority also deals with a number of requests for information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, as well as Subject Access Requests under the Data Protection Act 1998 (DPA) and is making preparations for the introduction of the General Data Protection Regulation (GDPR) which will replace the DPA when it comes into effect in May 2018 and which the Authority will be required to comply with. A review of the Access to Information Policy is planned for the coming year and a Data Audit by Department is underway to ensure that Authority is clear about what data is held, what it is used for, how it is stored and the period of time that it will be retained for.

The Authority is subject to a full and independent audit of the financial management arrangements in place for 2016/17. Audit reports are issued by the External Auditor and Internal Auditor to be considered by the Authority's Resources, Audit and Performance Committee.

In March 2016 the Resources, Audit and Performance Committee approved an Assurance Framework which specifies the sources of information on which the Authority relies to gain assurance that all key risks are identified and that controls are operating effectively. It also approved an Internal Audit Charter which clearly defined the purpose, authority and responsibility of the internal audit activity and an Audit plan for 2016/17.

The Authority undertakes Equality Impact Assessments, in which services are required to review policies and procedures to ensure those services are delivered, designed and continually monitored to meet the needs of the whole community.

**Working together to achieve a common purpose with clearly defined functions and roles**

Standing Orders, Scheme of Delegations, Financial Regulations, Contract Standing Orders and other procedures describe how the Authority operates and how decisions are made to ensure that these are efficient, transparent and accountable to local people. All these key policies were kept under review during the year and amendments made as and when necessary. A modernisation review of the Authority's governance arrangements and structures will be undertaken during 2017/18.

Meetings of the Authority are held in public (save for individual items of a sensitive nature properly considered in confidential session). Agendas and minutes of meetings are available for inspection by the public both at the Authority's offices and via the Authority's website and members of the public may ask questions and make representations on relevant matters at meetings. Each of the committees has distinct terms of reference, with each having a periodic review. Member attendance for the Authority and Committee meetings during the year was 77% (down from 80% in 2015/16) this fall was mainly attributable to ill health of some members.

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, with each Officer understanding their relevant responsibilities.

During the last year, following the resignation of Bob Jackson as the Authority's Chief Finance Officer (CFO), on 22 July 2016 it appointed Nigel Stone (Finance and Performance Manager) as the new CFO and removed the provision of the role from the on-going service level agreement with NFDC. In reaching this decision the Authority took into account the governance requirements of CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010). The effect of strong budgeting and regular financial monitoring procedures has also shown in the financial outturn; for example, in recent years the Authority's outturn has been within 2% of the original budget and 1% of any revised budget.

There are agreed protocols for consultation with the CFO on key decisions and advice to the Authority and its committees. The CFO attends meetings of the Authority's Executive Leadership Team, Managers' Forum and Executive Board in order to ensure a sound understanding of the organisation's key priorities and risks.

The role of the Monitoring Officer is performed in-house by the Senior Solicitor with a remaining nil-cost SLA with Hampshire County Council for any additional specialist legal support required. All such service level agreements are reviewed and performance monitored.

## **Promoting and demonstrating values through high standards of conduct and behaviour**

There are Codes of Conduct for Members and Officers in place and performance appraisal processes for Officers. Training is given to Members on the Code of Conduct and there is a Register of Members' Interests. The Authority operates a new standards regime for the conduct of Members following the application of the Localism Act 2011. There is currently a Standards Committee which monitors the ethical framework of the Authority.

There is an adopted Whistleblowing Policy, with confidential reporting arrangements in place to enable internal and external whistle-blowing which was updated in March 2014. There is also an Anti-fraud & Corruption Policy in place and a supplementary Anti-Money Laundering Policy was approved in June 2013. A group of staff also reviewed the Authority's core 'Values' during 2016 and the values have been included in the most recent staff annual appraisals to provide an opportunity for staff to consider how they have put the Authority's values into practice; ideas to promote the values are being considered when the new intranet is introduced in their respective roles.

The Monitoring Officer continuously reviews the Authority's Standing Orders and Scheme of Delegations and updates them as and when necessary. Corporate Services Officers will undertake a review of the Authority's Committee structure and timetabling during 2017.

## **Taking informed and transparent decisions and managing risk**

There is a systematic strategy, framework and processes for managing risk. The Risk Management Strategy was updated and reviewed in December 2015. A risk register is also maintained and reviewed regularly by the Executive Board and half-yearly by the Resources, Audit and Performance Committee. The risk register was also updated in December 2015, following recommendations from the Authority's Auditors, and is now closer aligned to our Protect, Enjoy and Prosper framework and also includes the broader corporate risks potentially affecting the Authority under 'Resources', 'Processes' and 'Policy, Performance and Reputation'. This register enables relevant risks to be identified and evaluated, with consideration given to appropriate mitigation strategies. The Authority's risk register details twenty key risks from across the organisation. These are scored by likelihood and impact to give a green, amber or red warning level. As at March 2017, ten risks were green, ten amber and none red.

Members oversee the strategic direction and annual objectives. This enables relevant risks to be identified and evaluated, with consideration given to appropriate mitigation strategies.

The Authority has fully complied with the Local Government Transparency Code and, as such, has a designated page on its website containing all the information required to be published; in a number of cases the Authority has actually gone beyond the minimum requirements of the Code and published further information to better aid understanding and transparency.

The Authority is fully compliant with all current procurement legislation including the Public Contract Regulations 2015. It uses an online e-procurement portal (In-Tend) for all significant quote/tender/framework opportunities, ensuring openness and fairness to all potential suppliers.

### **Developing capacity to be effective**

Senior Officers' learning and development needs are identified and met through induction programmes and the appraisal system, which includes learning and development target areas. All new Members undergo a full internal induction programme and a general 'National Parks' induction is also now mandatory. In regard to existing Members, National Parks UK is currently working on establishing some appropriate on-going training programmes.

There have been a number of informal training sessions for Members and Members Days on various aspects of their responsibilities and to aid the development of policy.

The Authority seeks to continually train its Managers and Officers; in the last year the Authority has arranged training on strategic planning, emergency First Aid at Work, Mentoring and Data Protection Compliance, discovery days and many more specific personal development courses. Officers are exploring the introduction of an e-learning programme which will enhance training and development in 2017/18.

### **Engaging with people to ensure accountability**

The Authority has 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.

A Statement of Community Involvement (SCI) setting out how the National Park Authority would involve local communities and others in its work was approved by the Authority on 12 December 2013. Although the production of the SCI is a requirement of the Government's planning regulations, updating the document also provided an opportunity for the Authority to set out how people can get involved in the preparation of the Authority's other plans and strategies.

Member representation has continued with a number of external bodies such as the Court of Verderers, the Hampshire and Isle of Wight Local Government Association, North Solent Shoreline Management Plan, New Forest Local Access Forum, New Forest Ninth Centenary Trust, New Forest Marquee and Campaign for National Parks.

Partnership arrangements have been continued with the Ninth Centenary Trust in Lyndhurst to ensure interpretation and visitor information is provided at the New Forest Centre, and the Authority continues to work with local businesses to deliver nine Local Information Points. Our core ranger work is boosted by jointly funded projects with Camping in the Forest, Forestry Commission and New Forest District Council, enabling us to engage with visitors and local residents throughout the National Park and in nearby communities. Other examples of joint working include the annual volunteer fair (this year attended by 40 organisations and attracting 700 potential volunteers), development of wild play sites with parish councils, the Date with Nature project at the Reptile Centre and support to cycle hire businesses.

The Authority had over 60,000 face-to-face contacts during the 2016-17 year to promote understanding of the National Park. This includes numerous public events and work with schools to highlight the things that make the New Forest special and how we can all care for it.

The Authority has continued to support and input into the New Forest Consultative Panel, which is an advisory forum comprising representatives from approximately eighty organisations with an interest in the New Forest National Park and adjacent areas. It meets

quarterly to discuss topical issues and provide views to the National Park Authority and other statutory bodies. We also facilitate other Forums with wide representation from relevant organisations to help guide and communicate work programmes relating to dog walking, cycling, equine issues, animal accidents and recreation management.

The New Forest Land Advice Service has continued to provide wide-ranging support to land owners, land managers and young commoners during the year.

The Authority routinely consults Parish Councils for their views on all planning applications by providing them with an initial planning officer assessment alongside details of the application. Communication has been aided further with the successful Parish Quadrant meetings which are held throughout the year and the Member presence at Parish Councils.

The Authority publishes Park Life, a Pocket Guide and an Annual Report to ensure regular communication on our work performance and issues and opportunities, together with events, press releases, regular email newsletters, website updates and social media posts.

In November 2012 the Authority was subject to an independent, peer-led performance assessment. Their summary conclusion was that *'The Authority is self-aware...(and) has applied itself to creating a step change in the way that it operates.....In particular it has applied considerable time, energy and effort to establishing good working relationships across the complex range of established organisations within the Forest. The distinctly different Authority is now recognised as positively changed by staff, Members, partners and communities alike and this outcome is a credit to the Authority's dedication and resolve to make improvements.'* The Authority has fully reviewed and considered all the feedback and recommendations from the report.

## **Continuous Improvement**

The Authority aims to be clearly accountable for the effective delivery of services, through setting targets and measuring performance. A revised and streamlined set of key national performance indicators has been agreed and these indicators as well as a set of local indicators are monitored regularly by RAPC.

Objectives and targets are developed for each service, and performance reviewed against these. As previously mentioned, the Authority is using the current period of financial stability to review its efficiency and effectiveness and to plan more strategically. Senior officers from National Park Authorities are currently exploring possible savings and efficiencies in sharing support services.

During the year, the Authority reviewed its external audit arrangements in line with changing legislation to opt in to a scheme established by the Public Sector Audit Appointments Ltd to secure external auditors for 2018/19-2022/23. The Authority also adopted a number of HR Policies, made application to the Heritage Lottery Fund (Kick the Dust youth Programme) and Pedall (Big Lottery, Reaching Communities, Stage 2 Application) and resolved to work in partnership with the New Forest Trust to develop a 'Love the Forest' Visitor Giving Scheme.

Service level agreements with New Forest District Council provided the services of strategic HR advice, internal audit, GIS and some accountancy services. The Authority also provides services to other local bodies through SLAs; these included archaeology, trees, rangers, building conservation & design, communications and ecology services during the last year.

### **Review of Effectiveness:**

The Authority 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 Officers within the Authority who have the responsibility for the development and maintenance of the governance environment, the Internal Auditor's report and also by comments made by the external auditors and other review agencies and inspectorates.

Factors which influence the controls environment include: ethics, integrity, operating style and the way management and Members assign responsibility and authority.

The roles of the Authority, the Resources, Audit and Performance Committee and Internal Audit are explicit in maintaining the effectiveness of the governance framework.

Of the sixty-one Actions/Outcomes in the 2016/17 part of our Work Programme, fifty-eight were shown as "green" at year-end, three as "amber" and none as "red". Of those three shown as amber, all have been addressed further in the 2017/18 Work Programme and/or work schedules.

Major strategic plans and policies receive consideration by Members. A comprehensive scheme of delegation to Officers has been approved by Members, and makes clear that the role of Officers is to implement and give effect to strategies and policies approved by the Authority.

The Authority has maintained arrangements to ensure that its dealings are lawful and comply with financial regulations. The Authority's Solicitor considers all reports considered by Members, and is present at meetings to give advice to Members as required. This assists in ensuring that the Authority discharges its functions in accordance with the law.

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 Medium-Term Financial Plan and Budget is agreed annually by the Authority and budget monitoring reports are considered quarterly at meetings of the Resources, Audit and Performance Committee. The Authority's Accounts are subject to external audit on an annual basis and reported to the Authority at a public meeting.

There were two complaints made against Members during 2016/17 in relation to allegations of failure to comply with the Members' Code of Conduct; each complaint was investigated and no fault was found in either case.

All Member meetings of the Authority commence with an item regarding declaration of pecuniary and non-pecuniary interests, with signed records of interests declared kept with the minutes of the meeting. A Register of Members' Interests is maintained, in accordance with the Local Government Act 2000.

The Internal Auditor's report for 2016/17 states:

*"arrangements are in place to ensure there is an adequate and effective internal control environment.*

- *the systems and internal control arrangements are effective and agreed policies and regulations are complied with in the majority of occasions.*
- *Where minor control weaknesses were identified during the year, management have agreed to take action. Internal Audit monitors progress made against these*



*recommendations and is content that management are implementing the required actions to further strengthen controls.*

- *managers are therefore aware of the importance of maintaining internal controls and accept recommendations made by Internal Audit to improve controls.”*

Ernst & Young act as the Authority’s external auditors and are responsible for reviewing and reporting on the Financial Report (Statement of Accounts) and arrangements for securing economy, efficiency and effectiveness in the use of resources.

The Authority’s Business Continuity Plan was updated and reviewed during 2013/14 and approved by the Authority’s Executive Board. A limited simulation test of the key IT contingency features was carried out successfully by officers in January 2014 and an internal audit of the Plan in May 2014 produced a very positive audit with only one recommendation. A review and update of the Plan will take place during the summer of 2017.

Officers have continued work on reviewing and updating the records management system for the Authority to meet statutory and best practice requirements.

#### **Significant governance issues:**

In 2016/17 the Authority has begun reviewing its Local Plan, as is recommended every five years, through evidence gathering and consultation. The new plan is proposed to be adopted in summer of 2018. A further significant project to commence early in 2017 was the review of the Authority’s Recreation Management Strategy 2010-30. The Authority will be leading the review on behalf of the Recreation Management Strategy Steering Group (comprising the Forestry Commission, Verderers of the New Forest, Natural England, New Forest District Council, Hampshire County Council and New Forest National Park Authority).

During 2017/18 the Authority will be fully reviewing its Counter Fraud policies and procedures in light of the new code of practice and self-assessment toolkit from the Chartered Institute of Public Finance & Accountancy (CIPFA) and International Framework for Good Governance in the Public Sector – updates to these documents have only recently been released and will be studied over the coming months to ensure the Authority continues to follow best practice.

As previously mentioned, the Authority will be undertaking reviews of its Governance arrangements, Committee structures/timetabling and the Business Continuity Plan over the coming year. It will also look to complete work on establishing best practice in records management across the organisation, thus ensuring compliance with data protection legislation (including the new GDPR) and retention schedules.

**CERTIFICATION**

To the best of our knowledge, governance arrangements, as defined above have been in place within the Authority for the year ending 31 March 2017 and up to the date of approval of the Annual Report and Statement of Accounts.

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

Signed: .....

Oliver Crosthwaite-Eyre  
Chairman

Signed:.....

Alison Barnes  
Chief Executive

Date: 14 July 2017

Date: 14 July 2017