

## **ANNUAL GOVERNANCE STATEMENT 2018/19**

### **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 and facilitating the effective exercise of the Authority's functions 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 2019.

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 is currently working with its partners through the New Forest Leadership Group to review the Partnership Plan to cover the period 2020-2025. The Plan is a key document for the National Park, setting out the overall vision and approach in delivering the two national park purposes and duty. Members will be involved in shaping the drafting of the vision, objectives and actions of the new Plan through future Authority and Resources, Audit and Performance Committee meetings as well as Member workshops. Once the vision and objectives have been agreed by the Leadership Group there will be a period of engagement with a wide range of New Forest organisations and neighbouring authorities with a public engagement process planned for early 2020. The aim is to have the new Partnership Plan 2020-2025 published in time for the New Forest Show in 2020.

The Authority's Business Plan and annual Work Programmes take their cue from the Partnership Plan, incorporating those actions for which the Authority has direct responsibility. The Authority adopted a new Business Plan covering the period 2018-2021 at its Authority meeting on 22 March 2018 following extensive consultation of members and staff. This extensive consultation was invaluable in identifying the priorities and objectives to be included in the Plan over the next three years and responding proactively to future challenges and opportunities affecting the New Forest National Park. The annual Work Programme which sits under the Business Plan, 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. At the same meeting, members adopted a new Work Programme for 2018/19 containing actions specifically supporting the priorities and objectives within the new Business Plan; progress against the actions in the programme are closely monitored by officers and the Resources, Audit and Performance Committee.

The Authority is in the third year of a four year grant settlement and the Authority's Medium Term Financial Plan for 2018/19 was drafted to cover three financial years and therefore extends one year beyond the current grant settlement period. The Authority is focusing 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 – these themes provide important direction in the annual work programmes.

Recognising that people are our biggest asset, we are also finalising a People Plan to help focus our development as an organisation. This will look at **how** we work and will set out actions to further improve our working practices and develop a high-performing team. In 2019/20, we will work with staff and members in rolling out the actions in the People Plan.

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. The Authority is also keenly investigating corporate partnerships (sponsorship) through the wider National Park family and the National Parks Partnerships Ltd formed in 2015 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 which has led to a significant sponsorship deal being negotiated with Columbia Sportswear to provide all corporate clothing requirements. The partnership contract runs until 2022, at which point this policy will be reviewed. As part of this contract, Columbia Sportswear is the Official Clothing Partner of the New Forest National Park Authority.

The Chief Executive reports to the Authority on the development and performance of the Authority overall. The Annual Report 2018/19, detailing the Authority's activities and achievements over this period is currently being drafted and will be considered at the Annual Authority meeting on 11 July 2019. 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 maintains 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). Over 2018/19 Officers have been carrying out a complete review of the Authority's records management systems in tandem with a major project to introduce Office 365 (SharePoint). This project will also include a review of our Access to Information Policy, data storage and document retention. Once completed the review will significantly improve the Authority's compliance with the General Data Protection Regulation (GDPR) and new Data Protection Act. These new measures will also streamline requests for information and improve overall efficiency and the effectiveness of security of our records management and IT processes.

The Authority is subject to a full and independent audit of the financial management arrangements in place for 2018/19. 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 2017 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 the Audit plan for 2018/19.

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 full review of the above documents will take place during the autumn of 2019.

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 82% (meeting the target of 82% for 2018/19).

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 respective responsibilities.

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 always been within the targeted 2% of the original budget and 1% of any revised budget.

On 21 January 2016, Defra approved a four year grant settlement; for the Authority that covered the four year period to 2019/20 and includes a 1.72% inflationary rise each year ensuring that the Authority's budgets will be protected in real terms over the four year cycle. In March 2018, the Authority also agreed its Medium Term Financial Plan to cover the period to March 2021 one year beyond the grant settlement period. A new grant settlement is expected in the comprehensive spending review when this is presented during the Autumn 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 standards regime for the conduct of Members in compliance with 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. The Authority's core 'Values' were included in the 2018/19 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 also being considered with the introduction of the new intranet.

The Monitoring Officer continuously reviews the Authority's Standing Orders and Scheme of Delegations and updates them as and when necessary. The Authority's Committee structure is also kept under review and meetings timetabling continue to be extended over an 18 month period to facilitate long term planning and diarising of meetings.

### **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. The risk register was reviewed in 2018 and focuses on those projects where the risk of not achieving them would have a significant impact on the Authority. These projects are grouped in the register under Protect, Enjoy and Prosper. Significant operational risks potentially affecting the Authority have been grouped under Achieving Excellence. Risks are scored by likelihood and impact to give a green, amber or red warning level and regular consideration is given to appropriate measures and strategies to mitigation the risks – the risk register details 15 key risks across the organisation and as at March 2019, eight risks were green, seven amber and none red in the register. The register is monitored and reviewed by the Executive Board and half yearly by the Resources, Audit and Performance Committee.

The risks associated with our annual work programme are monitored through the quarterly reports to RAPC using the traffic light system to monitor progress. r

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 refresher sessions and updates.

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, these include two training days for planning committee members, a planning tour and meetings with the Forestry Commission and the New Forest Marque.

The Authority seeks to continually train its Managers and Officers; in the last year the Authority has arranged training on risk assessments, emergency First Aid at Work, and Data Protection Compliance, discovery days and many more specific personal development courses. Officers continue to be encouraged to complete relevant courses through the e-learning programme which offers a wide range of training and development opportunities for staff.

### **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.

Following the launch of the Accord between the Forestry Commission (England) and National Parks England in July 2018, members agreed that although there was a significant amount of engagement with the Forestry Commission at present there was a good case for more formal mechanisms that would ensure more effective and collaborative working as well as early engagement and identification of opportunities and solutions. Officers from both the Forestry Commission and Authority accordingly held a number of workshops to finalise proposals for delivering local outcomes for the shared priorities in 2019/20. These proposals were reported to and supported at the RAPC on 4 March 2019.

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, New Forest Local Access Forum, New Forest Ninth Centenary Trust, New Forest Marque and Campaign for National Parks.

The Authority continues to work with local businesses to deliver Local Information Points to promote visitor information on the National Park. 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 a record 750 potential volunteers and 50 organisations with a large number of sign-ups from people keen to take part in community, charity and practical activities across the Forest, developing the Green Halo Partnership (supporting the local economy, improved health and wellbeing encouraging sustainable living and enhancing the natural environment). The Volunteer Fair was also where the Authority' launched the Government's Year of Green Action to celebrate the 70<sup>th</sup> anniversary of national parks. The list of events and initiatives planned throughout 2019/20 have been published on the Authority's website.

The Authority had over 50,000 face-to-face contacts during the 2018-19 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 education team and rangers visited 60 primary schools during the year and spoke to 13,500 school children about the special qualities of the New Forest. Officers led guided walks, gave talks, co-ordinated litter picks for the Great British Spring Clean and led a wide range of learning sessions for young people. They also assisted with the delivery of Our Past, Our Future projects and supervised multiple conservation tasks for volunteers of all ages.

Significant engagement with dog owners at national level included attendance at Crufts Dog Show in Birmingham and the People and Dogs in the Outdoors Conference

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 the New Forest Essential Guide, 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**

In December, the Authority responded to the Landscapes Review – Call for Evidence (The Glover Review) which reflected the views expressed by members and staff.

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 continue to be applied 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.

The Authority continues to use a proportion of its core funding to leverage in other income for the Forest and continues to work in partnership with the New Forest Trust to grow the '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, 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 67 Actions/Outcomes in the 2018/19 part of our Work Programme, 60 were shown as "green" at year-end, 6 as "amber" and one as "red".

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 no complaints made against Members during 2018/19 in relation to allegations of failure to comply with the Members' Code of Conduct.

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 2018/19 states:

"I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the New Forest National Park Authority's internal control environment.

In my opinion, New Forest National Park Authority's framework of governance, risk management and control is 'adequate' and audit testing has demonstrated controls to be working in practice.

Where weaknesses were identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement."

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 2017/18 and audited by the internal auditors with a reasonable level of assurance and a limited number of management actions which have been agreed to by officers.

### **Significant governance issues:**

In 2018/19 the Authority carried out a review of its Local Plan, as is recommended every five years, through evidence gathering and consultation. The new plan is proposed to be adopted in 2019. A further significant project which continued in 2019/20 was the review of the Authority's Recreation Management Strategy 2010-30, this process will continue into 2019/20/. The Authority is 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). The Group completed a public consultation in 2018 involving local residents, organisations and groups and examined and analysed the responses – these will

assist in shaping the new strategy for the New Forest.

During 2018/19 the Authority began 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 – this work will be finalised over the coming months to ensure the Authority continues to follow best practice.

The Authority will be undertaking reviews of its Governance arrangements over the coming year. As mentioned above, 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 2019 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

Date: 12 July 2019

Signed:.....

Alison Barnes  
Chief Executive

Date: 12 July 2019