ANNUAL GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

The Lake District National Park Authority (the Authority) 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. We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, we are responsible for putting in place proper arrangements for the governance of our affairs, facilitating the effective exercise of our functions, including arrangements for managing risk. We maintain, and seek further improvement to, high standards of stewardship and service delivery.

We have approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the code is on our website at www.lakedistrict.gov.uk or can be obtained from Kerry Powell, Director of Learning and Resources.

This statement explains how the Lake District National Park Authority has complied with the code and meets the requirements of the Accounts and Audit (England) Regulations 2011.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which we are directed and controlled. It also includes our activities to lead and engage our communities and which enable those communities to hold us to account. Our governance framework enables us to monitor the achievement of our 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 risks to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and therefore only provides reasonable and not absolute assurance of effectiveness. 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 policies, aims and objectives, 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 key elements of the systems and processes that comprise the Authority's governance arrangements are:
Communicating the Vision and Intended Outcomes for Service Users

The 2030 Vision for the National Park is clearly articulated for service users and partners in our significant policy documents, such as the Business Plan, the Partnership’s Plan in all significant public documentation. In the Business Plan this is developed further to include clear priorities for service delivery under each theme of the Vision and clearly identified actions that we will undertake to support the delivery of the Vision.

Reviewing delivery of the Vision
The Lake District National Park Partnership is the key strategic partnership for the National Park. It has a common vision (The Vision for the National Park) agreed formally by all 24 active partner organisations, which is supported by a clear partnership protocol and performance indicators.

The Partnership’s Plan was originally agreed in September 2010 and the most recent revision of the Partnership’s Plan was adopted in September 2012. The Partnership’s Plan further strengthens the golden thread with better alignment of resource priorities. The Peer review of our Performance; the National Park Authorities Performance Assessment (NPAPA) reported: “Partners have bought into the Vision and Partnership Plan well. There is a sound partnership involvement and ownership for the period to 2015 which underpins an aspirational vision for 2030. The Partnership Plan is well tuned to stakeholder and local issues and has external lead organisations for all four outcomes and uses specialist sub-groups for delivery. There are good relationships with key partners and the 23 organisations active on the Partnership and there is impressive ownership of the Vision amongst these partners and their corporate planning.” Our monitoring framework for the Partnership’s Plan ensures progress towards its delivery can be managed effectively by the Partnership. We also identify the key risks to the delivery of the Partnership’s Plan and the associated management actions to support its effective delivery. During 2012/13 we have strengthened the interface between the Partnership and the Authority.

Our rolling 3-year Business Plan is developed and reviewed annually in the light of the Partnership’s Plan to ensure we deliver our contribution to the Vision and Partnership’s Plan in partnership with others. This ensures that our resources and those of our partners are used in the most effective and co-ordinated way to deliver the Vision and prevent duplication and waste.

The NPAPA report said: “Strong connections exist between the Partnership Plan and the Business Plan. There is a cascade of plans that connect and translate the Vision through the Partnership Plan to the Authority’s Business Plan with the outcomes and aims of the Plan included and translated well into actions.”

Effective Partnership Working

We are committed to improving the effectiveness of partnership working, and understand that key aspects of the delivery of the Vision depend on successful partnership work. This is reflected in our organisational strategy which we refined as part of the 2013 - 2016 Business Planning process and in our annual Service Plans. Our financial regulations set out the principles of effective management of resources when working in partnership, including the setting of clear objectives and the management of financial and delivery risks.

Effective Service Delivery

Our service planning processes ensure that services are developed to dovetail with the Partnership’s Plan and Business Plan and that there is a clear link between the Vision for the National Park and outcomes for service users. Our annual staff survey demonstrates
this: 78% agreed strongly or tended to agree with the statement 'My work objectives link to the service plan'.

We measure the effectiveness of our service delivery through the performance management framework; which includes effective service quality measures for our key front line services. Our Resources Committee monitors our performance, corporate risks and challenges the effectiveness of service delivery. Over the next 12 months we will complete the integration of the Volunteers service into this process to ensure their work is planned, monitored and reported more effectively.

Budget holders are required to demonstrate value for money in the use of resources and our external auditors conduct an annual value for money assessment to determine our effectiveness in this area.

We value being innovative and strive to achieve success and this is demonstrated in our attainment of several awards during 2012/13 including:
- Customer Service Excellence – award for our delivery on customer service, with full compliance against 37 criteria.
- For the second year running, we have been awarded the Carbon Standard by the Carbon Trust
- The Lake District's low carbon initiative was one of four finalists at the national Climate Week Awards
- Lake District National Park volunteers won two of three categories in the first event UK National Park Volunteering Awards
- Brockhole's Jetty has won a prestigious National Award from the Landscape Institute
- Successful accreditation against the North West Employers Organisation's Charter for Member Development

Clarity of roles, responsibilities and required behaviours

The Authority Handbook contains clearly documented roles and responsibilities for the Authority and its standing committees. Member roles and responsibilities are defined in a member role profile that sits alongside the DEFRA profile.

Over the last few years we have refined our governance arrangements to improve public accountability and ensure that members are used strategically. In 2010, DEFRA consulted on the governance arrangements for National Parks with a view to increasing local accountability and to reducing the size of Authorities. This consultation is still on going and we will need to implement its recommendations, once finalised.

In 2012/13 the Executive Board structure changed from three directors to two directors following the retirement of the Director of Park Services. Supplementary changes to support this arrangement will be planned over 2013/14. The Scheme of Delegation, Standing Orders, Complaints against Members, Complaints procedure and Member Code of conduct have been updated to reflect the changes due to the Localism Act 2011.

Officer responsibilities are defined through their role profiles. Delegations are clearly defined in our Scheme of Delegation which is reviewed in June each year. Supplementing these we have defined competencies for each role, a clear set of values and behaviours that staff are expected to follow, and an officer code of conduct to set out minimum standards expected of officers which is guided by our values. Our performance appraisal system for staff considers all aspects of an individual's performance; including: delivery of objectives, values and behaviours, competencies and teamwork.
We have effective staff / member communication tools in the work of committees, away hours, “Seeing is Believing” or Parish Tours and joint training events and through our daily Intranet (Touchstone) and weekly (“Snapshot”) electronic communication with members and staff. We also have a new financial briefing that is updated monthly and Executive Board road shows for more focused communications. These communications are aimed at raising awareness amongst members and staff of the organisation’s work and current issues. Our 2012 staff survey identifies that overall trends based on data since 2007, show an increase in agreement to the statement ‘Communications between teams who need to work together is generally good’ (an increase of 9 percentage points from 51% to 60%) and; ‘Touchstone, Snapshot and In Focus give me the information about what is going on in the organisation that is timely and useful to my work’ showed an increase of 6 percentage points over the previous year, from 72% to 78%.

Effective Financial and Risk Management

We operate a strong financial management framework and have developed a strategic approach to managing the reduction in National Park Grant over the 3 years to 2014/15. We are working hard to ensure that we deliver the right services for our communities and can set a balanced budget over the medium term. Our financial management and planning has been well received by the NPAPA review where it was reported that: “Good financial management and reporting is in place. Firm control is maintained over budgetary projections, monitoring and delivery with effective delegated budget arrangements in place and a well-structured approach to the use of the Medium Term Financial Strategy and five year projections linked to the Business Plan and Service Plans. This has helped achieve particularly effective money management and structured savings over recent budget reductions.” And “An excellent ‘Commercial Acumen’ approach has been developed”

Financial regulations and contract standing orders are regularly reviewed to ensure they remain effective in supporting sound internal control. Financial regulations are supported by effective financial procedures and underpinned by the work of internal and external audit.

We operate an effective risk management process, documented in our risk management policy. Corporate risks are owned by named officers; those risks above tolerance are reported with a risk management action plan on a quarterly basis to Resources Committee in order to reduce likelihood or impact. The corporate risk process is well embedded into our governance arrangements and this has helped us to make informed decisions and prioritise work activities; such as the risk on our ability to deliver our Business Plan with greater financial pressures.

We have an effective Governance committee that ensures the implementation of recommendations from our internal and external auditors and considers the effectiveness of our internal control environment.

Legal and regulatory compliance

We ensure compliance with relevant laws and regulations through the attendance at committees and Executive Board of the Authority Solicitor (our appointed deputy Monitoring Officer). All reports must have clearance from a legal perspective before presentation to committee. They must also identify the extent to which the recommendations support our policy framework and the financial consequences of proposed decisions. We have adopted a Monitoring Officer Protocol to consolidate our management practices in this area, this was reviewed in 2012.
Internal policies and procedures have been based around the legislative and regulatory frameworks appropriate to National Parks – examples include:
- Freedom of Information (FOI) and Environmental Information Regulation (EIR) processes
- Joint equality scheme
- Disciplinary codes
- Whistle blowing procedure
- Internal procedures
- Planning policies
- Staff and Member Codes of Conduct

Member and officer development

The North West Employers Level 1 Charter Award underpins the Authority's commitment to investing in its members. The Authority was successfully re-assessed for the Charter in November 2012 and will be reviewed again in November 2015. All members have access to an annual development meeting with the Learning and Development Advisor, which supports their individual development with the organisation. This has refined our member development plan. Member training is delivered through away hours, “Seeing is Believing” days and other training sessions and is well received by members.

Corporate training needs for staff and members are identified and delivered as part of our Maximising Our Potential programme. Together with input from our staff survey and other people development work this will be used to deliver a new competency framework which will support employment processes such as Performance Reviews and recruitment. This work remains critical over the next few years to support us in the delivery of our new organisational strategy to create greater impact with fewer resources. Individual training needs are identified formally through annual performance appraisals and at one to ones.

Volunteer training needs are delivered according to their role to ensure that volunteers are equipped for the duties they undertake. This has been refined as part of the implementation of the Volunteer Strategy due for delivery by March 2014.

Community Engagement

We have been awarded the Customer Service Excellence Award for five consecutive years and each year we have improved our level of compliance. We now have no areas of partial compliance and eight areas of compliance plus out of a total of fifty seven. This year the Customer Service Excellence Award will also focus on our internal customer services, a first for the Customer Service Excellence Award.

Using our programme of investing in priorities we have dedicated a resource to the Valley Planning programme. This will provide practical communications with the community and stakeholders to better understand their needs and requirements and therefore better plan in the future for all stakeholders. This will ensure our Vision is realised at a local level.

We have recently commissioned a rebrand of our Information Centres to connect all stakeholders in the community; this includes local business, residents as well as the visiting public. This is part of a larger project to ensure the longevity of this service.

As part of our work on Equality and Diversity, we have developed good links with other Cumbrian authorities and diversity partners so that we can work to ensure our services and policies are accessible to all strands of our communities. We have recently commissioned training for Equality and Diversity for all staff. This will help us better engage with hard to reach groups in the right way.
REVIEW OF EFFECTIVENESS

We are responsible for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. The review of effectiveness is informed by the work of directors and heads of service that have responsibility for the development and maintenance of the governance environment. It is also informed by our internal auditor’s annual report and by comments from our external auditor and other review agencies and inspectorates. In 2012 we conducted a Peer review of our Performance; the National Park Authorities Performance Assessment (NPAPA). This review takes place every five years.

Processes for Maintaining and Reviewing the Governance Framework’s Effectiveness

The full Authority approves our budget and policy framework. It ensures that changes to the policy framework improve or maintain the effectiveness of our governance arrangements.

The Governance Committee oversees the effectiveness of our internal control environment. It considers the findings of internal and external audit and ensures that audit recommendations are implemented. It also has powers to undertake investigations on behalf of the Authority and to receive the findings of investigatory reports from officers. This committee was created on the 01 July 2012, merging the roles of 2 previous committees; the Audit Committee and the Standards Committee.

Resources Committee challenges our performance against our key performance indicators and assesses key corporate risks on an exceptions basis to ensure that sufficient mitigating action is being taken to manage corporate risk.

The Standards function has been carried out by the Standards Committee until the end of June and by Governance Committee from 01 July onwards. These committees have promoted high standards of conduct by members, advised on revisions to the Code of Conduct and investigated alleged breaches. Independent Members were retained on the Governance Committee during 2012/13.

Internal audit monitors the effectiveness of the control environment and reports specific recommendations to the Governance Committee. An annual internal audit letter is also produced for the Governance Committee which comments on the overall effectiveness of our control environment.

NPAPA review praised the organisation for working to a very high standard, delivering at an exceptional level and above all being “an approachable organisation”.

The inspection team carried out a week-long audit, meeting and questioning staff, Members, volunteers, and partner organisations.

On a grading scale - which awards a mark of three for “performing well”- the Lake District rated three or better in every category and achieved the top grade of four, performing “excellently” in both the vision and sustainable development sections. One of the areas where we were singled out for “special praise” was our work on transformational change stating “an impressive transition and organisational change has taken place in recent years”.

The Customer Service Excellence award highlights the effectiveness of our engagement with customers and results in a report identifying strengths. We currently have no areas of partial compliance in any of the 37 criteria for customer service.
We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Governance Committee and a plan is in place to address weaknesses and ensure continuous improvement of the systems.

**Significant governance issues**

The significant governance issues that we plan to address during 2013/14 are:

- Continue to deliver a balanced budget over the medium term
- Update our statement of community involvement to reinforce our commitment to community engagement
- Evolve the structure to deliver the Business Plan, following changes to the Executive Board
- Deliver the required standard for FOI requests
- Improve and embed project management processes into our ways of working and culture
- Deliver a new competency framework and embed this into our employment processes

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.

Signed: [Signature]
(Chairman of Governance Committee)

[Signature]
(Chief Executive)

On behalf of the Lake District National Park Authority, 20 September 2013