



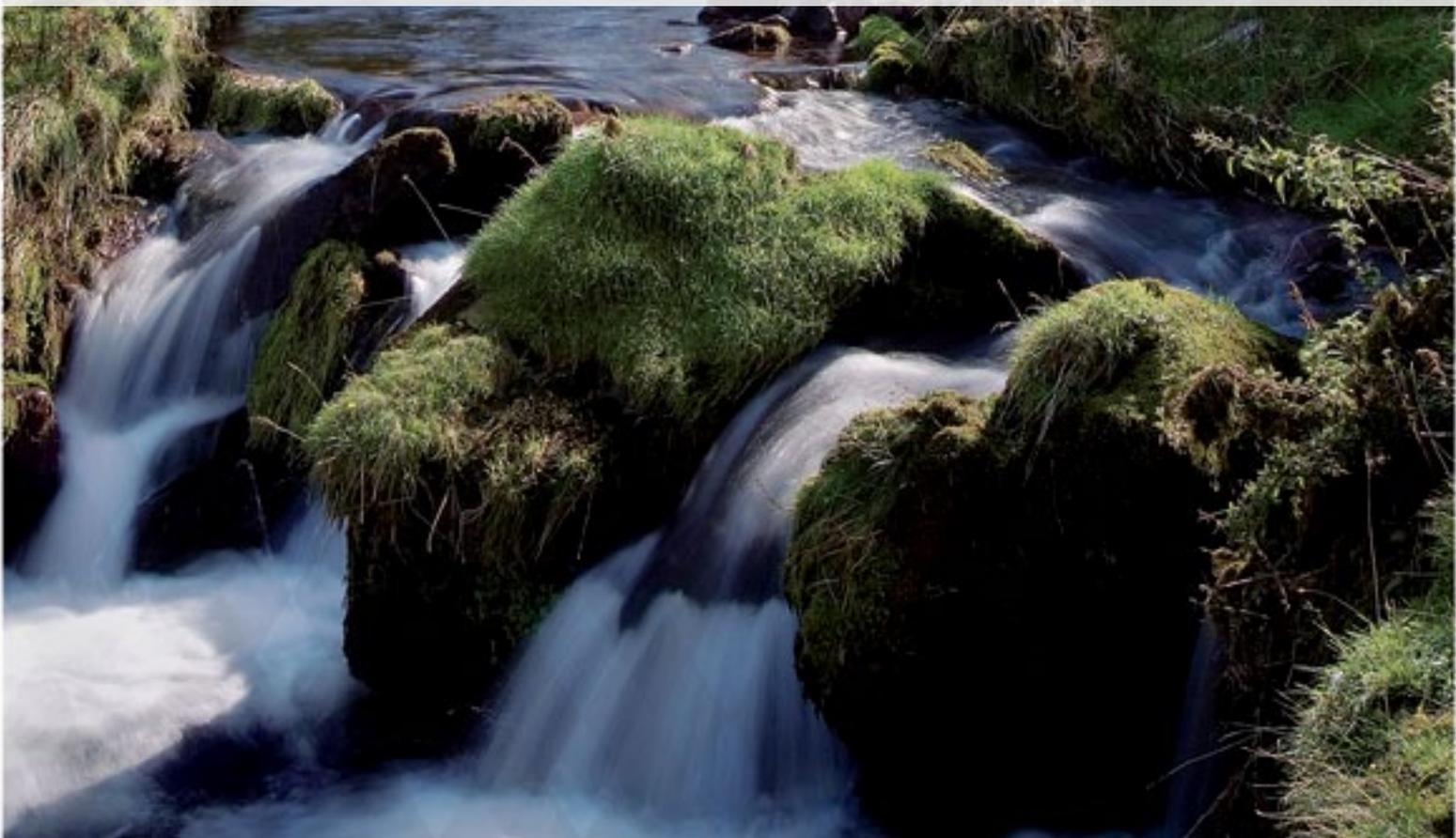
WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report

Brecon Beacons National Park Authority

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About the Auditor General for Wales

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

Together with appointed auditors, the Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

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The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by John Roberts and Andy Bruce under the direction of Alan Morris.

Contents

Summary report, recommendations and proposals for improvement	4
Detailed report	
Introduction	6
The Authority made good progress in delivering improvements in many of its priority areas, although aspects of its planning service performed less well	7
The Authority's approach to evaluating and reporting on its performance continues to improve, supported by its inclusive approach to governance	15
The Authority has consolidated the progress it made in setting out its plans for improvement. The Authority can further improve its asset management and is exploring ways to improve the evaluation of its governance arrangements	16
The Authority faces a number of significant challenges over the next two years but it is too early to say to what extent these will affect the Authority's ability to deliver improvements	19
Appendices	
Appendix 1 Status of this report	22
Appendix 2 Useful information about the Brecon Beacons National Park Authority	23
Appendix 3 Appointed Auditor's Annual Audit Letter	24
Appendix 4 Brecon Beacons National Park Authority's improvement objectives and self-assessment	26

Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national park authorities are planning for improvement in delivering their services. The report covers Brecon Beacon National Park Authority's (the Authority) delivery and evaluation of services in relation to 2012-13 and its planning of improvement for 2013-14.
 - The Authority is a good example of how a local authority can encourage more stakeholder engagement with its planning and decision making.
 - The Authority, often working with others, delivered a number of improvements aimed at safeguarding biodiversity within the Park.
 - A wide range of people and organisations were encouraged to appreciate and become more involved with the Park.
- 2 We found that, in 2012-13, the Authority made good progress in delivering improvements in many of its priority areas, although aspects of its planning service performed less well. In particular:
 - The Authority took a long time defining an 'excellent planning service' so the service was primarily judged on its speed in handling planning applications, which was slower than in the previous year. Other indicators give a mixed picture of progress in improving the service, although the Authority sought to focus more on service users.
 - The Authority made a significant reduction in its backlog of enforcement cases but it runs the risk of reducing its available budget if it continues to lose half of planning appeals.
 - The Authority helped to conserve the Park's heritage and its network of paths and rights of way.
- 3 We also found that the Authority's approach to evaluating and reporting on its performance continues to improve, supported by its inclusive approach to governance.
- 4 Finally, we found that, during 2013-14, the Authority has consolidated the progress it made in setting out its plans for improvement. The Authority can further improve its asset management and is exploring ways to improve the evaluation of its governance arrangements.
- 5 The Authority faces a number of significant challenges over the next two years but it is too early to say to what extent these will affect the Authority's ability to deliver improvements.

Recommendations and Proposals for improvement

- 6 We have not made any recommendations in this report but two proposals for improvement are set out below.

R1 Take steps to mitigate the risks that can result from losing planning appeals in the context of reduced budgets.

R2 Develop an action plan for implementing the proposals for improvement set out in the Wales Audit Office's *Review of Asset Management*.

Detailed report

Introduction

- 7 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national park authorities are planning for improvement in delivering their services. [Appendix 1](#) provides more information about the Auditor General's powers and duties under the Measure.
- 8 We do not undertake a comprehensive annual review of all Authority arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge and the findings of prioritised work undertaken this year.
- 9 Given the wide range of services provided and the challenges facing the Authority, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- make proposals for improvement – if proposals are made to the Authority, we would expect them to do something about them and we will follow up what happens;
 - make formal recommendations for improvement – if a formal recommendation is made the Authority must prepare a response to that recommendation within 30 working days;
 - conduct a special inspection and publish a report and make recommendations; and
 - recommend to Ministers of the Welsh Government that they intervene in some way.
- 10 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

The Authority made good progress in delivering improvements in many of its priority areas, although aspects of its planning service performed less well

11 This section of the report looks at the Authority's performance in the period between 1 April 2012 and 31 March 2013. We have focused on those areas that the Authority had identified as improvement objectives under the Local Government Measure and on the available evidence collected by the Authority that could demonstrate whether or not these objectives had been delivered.

The Authority took a long time defining an 'excellent planning service' so the service was primarily judged on its speed in handling planning applications, which was slower than in the previous year. Other indicators give a mixed picture of progress in improving the service, although the Authority sought to focus more on service users

12 The Authority had set itself a target of providing an excellent planning service. While this was an ambitious target, especially in the context of an annual timeframe, it was designed to build on the improvements the Authority had already made in many aspects of its planning service in 2011-12.

13 Clarity on what constitutes an excellent planning service was a prerequisite of working towards this objective. In December 2012 the planning service set out some initial thoughts on what an excellent planning service might look like. Since then the Authority has carried out a number of consultation exercises, all of which are being used to help provide greater clarity on what the planning service should aspire to

in delivering an excellent planning service. However, the Authority's consultation exercise that was designed to help provide that clarity did not take place until February 2013, with responses to that consultation only becoming available during March 2013. Although the Authority is now recording information against eight measures of planning excellence that it has recently developed, this is not applicable to 2012-13.

14 The Welsh Government is currently exploring options for developing new performance measures for planning services across Wales. These may well be informed by the outcome of the Welsh Government's consultation on a draft Planning Bill and its proposals to modernise the planning system in Wales.

15 Nevertheless, the Authority was able to collect data that could be used to indicate whether the planning service was continuing to improve. This data gives a mixed picture of progress. While, in some cases, improvements are evident, in other instances performance is below the Authority's target and, in the case of speed of the service, is often worse than in 2011-12. Some examples of these findings are set out below:

- 91 per cent of customers rated the planning service as satisfactory or better, compared with 88 per cent in 2011-12, and the Authority's target of 80 per cent;
- confidence by customers in the Authority's planning service fell from 94 per cent to 83 per cent, although this was higher than the Authority's target of 80 per cent;

- 60.8 per cent of minor, householder and other applications were determined within eight weeks, compared with 67 per cent in 2011-12 and a target of 70 per cent;
- 53.84 per cent of all other planning applications were determined within eight weeks, compared with 61 per cent in 2011-12 and a target of 60 per cent; and
- the number of planning applications which were over 13 weeks old fell from 43 to 42, over the stipulated period, although this was short of the Authority's target of 35.

16 Our reports to the Authority have often made the point that, while speed of service is an important aspect in service delivery, it is unlikely to be the major factor in assessing the quality of the service. However, where other, more relevant, information, is unavailable, it will continue to be a significant part of making judgements on performance. Although we have not yet carried out our work in relation to performance during 2013-14, we understand that the Authority has made significant improvements in relation to the speed of its planning service.

17 While speed of the planning service slowed down in 2012-13, the Authority's focus on the users of its planning service is increasing. Training sessions with Community and Town Councils began in 2012 and are now held regularly every year. The Director of Planning has started writing monthly columns in the local newspaper, highlighting current planning issues and the Authority's role in dealing with them.

The Authority made a significant reduction in its backlog of enforcement cases but it runs the risk of reducing its available budget if it continues to lose half of planning appeals

18 Protecting the Park's special qualities from inappropriate development was another improvement objective the Authority had set itself for 2012-13. The planning service clearly plays an important role in achieving this objective, although, for at least part of 2012-13, the investigation and enforcement of alleged breaches of planning control was managed elsewhere within the Authority. This was partly in order to address previous under performance in its planning enforcement service.

19 This response to underperformance had the desired effect in that the backlog of enforcement cases was reduced significantly from 139 cases to 90. Focusing its resources in this area affected the Authority's ability to reach its target of resolving 65 per cent of cases within 12 weeks, although it did resolve 29 per cent of cases, compared with 22 per cent in 2011-12.

20 Although there was only one appeal against enforcement action in 2012-13, the Authority's decision was upheld, meeting its target of a 100 per cent success rate. Of the 400 planning applications received by the Authority, only four became the subject of an appeal. The outcome of those four appeals was determined by an inspector employed by the Planning Inspectorate who upheld the appeal in half of the cases, compared

with 15 per cent in 2011-12. Costs, when awarded, have been in the region of a few thousand pounds but were not awarded against the Authority in the two cases it lost. However, making decisions which are subsequently overturned on appeal runs the risk of reducing the Authority's available budget at a time when its funding is already under pressure.

- 21 During 2012-13 the Authority developed a process for identifying which special qualities were threatened by any alleged planning breaches. This process incorporated a checklist which can indicate which special qualities are threatened by any alleged planning breaches. This should provide useful data for the Authority now, and in the future, in its role of protecting the Park's special qualities from inappropriate development.

The Authority helped to conserve the Park's heritage and its network of paths and rights of way

- 22 In the same way as the planning service plays an important role in minimising inappropriate development, it also has a significant role to play in achieving the Authority's 2012-13 improvement objective of ensuring that the Park's heritage is conserved and enhanced.
- 23 A demonstration of the Authority's intent in this area was the increase in funding for buildings at risk to 93 per cent, compared with 50 per cent being allocated in the previous year. The Authority grant aided seven listed buildings, three more than

last year and exceeded its target by two. However the Authority did not manage to reduce the number of buildings at risk, which, at 129, remained at 6.5 per cent.

- 24 The Authority prepared one guidance note and completed one appraisal, meeting the relevant targets in relation to Conservation Areas. Working with Cadw¹, the Authority improved its understanding of the condition of scheduled monuments by collecting more than twice the amount of photographic evidence than had been planned. However, having adopted a new measure for the percentage of listed building consents sent to Cadw within eight weeks, the Authority only managed 14 per cent, against a target of 65 per cent.
- 25 Although not directly linked to the Park's heritage, the Authority increased the length of upland paths that it improved, helping to prevent any further deterioration. Using grant funding from the Countryside Council for Wales² the Authority also improved 15 kilometres of rights of way.

The Authority is a good example of how a local authority can encourage more stakeholder engagement with its planning and decision making

- 26 The Authority has made significant progress in its aim of improving public confidence in, and accessibility to, the Authority's conduct of business and governance. The range of initiatives and projects in this area are too numerous to describe in detail within this report but the main areas of progress are set out in the following paragraphs.

¹ The Welsh Government's historic environment service working for an accessible and well-protected historic environment for Wales.

² Now integrated into the newly formed Natural Resources Wales.

- 27 The Authority was the first national park authority in the UK and one of the first local authorities in Wales to introduce webcasting of its meetings. This practice allows interested parties to view the meetings live or to watch a recording of any meeting at a later date, as well as providing access to all relevant documents relating to the meeting. Indexing allows viewers to select those items on the agenda that they are most interested in. The process increases the Authority's accountability and helps promote better understanding of the Authority's activities and the way it makes decisions.
- 28 Originally introduced in June 2012 as an 18 month pilot exercise, the Authority has had positive feedback on the value of its webcasting initiative. Initial results from an online survey were reported to members in August 2013. Of the 51 respondents who had completed the survey during a six week period, 42 (82 per cent) considered the service either useful or very useful, with the percentage rising to 89 per cent for members and external respondents.
- 29 Members have recognised the value of the facility and have voted to change the pilot into a five year commitment to provide the service. Its value has been recognised by the Head of Scrutiny, Democracy and Public Participation at the Welsh Government. The popularity of the service continues to grow, with the total number of views rising from nearly 13,000 in July 2013 to nearly 25,000 in November 2013.
- 30 This commitment to engaging with stakeholders is further demonstrated by the Authority's approach to delivering its scrutiny function. Examples of this include:
- Sending questionnaires to ecologists and conservation officers from various organisations and incorporating the feedback into the Authority's scrutiny study into biodiversity.
 - As part of scrutiny work into inspiration and benefit within communities, the Authority invited individuals and representatives from relevant organisations onto its scrutiny panel. Examples of further engagement with stakeholders in relation to this study include:
 - carrying out an online survey;
 - visiting schools to talk to pupils;
 - meeting with representatives from an artists' collective;
 - attending three community council meetings to consult with their members; and
 - running a session at a Powys Youth Forum conference.
 - The Authority used its website to successfully elicit public voting on which of the Authority's improvement objectives should next be the subject of scrutiny.

31 Overall, the Authority estimates that over 300 people were involved in its scrutiny work by way of sitting on relevant panels, completing questionnaires, taking part in focus groups or being interviewed. The Williams Commission expressed interest in the Authority's approach to scrutiny and requested a further report from the Authority, which was subsequently submitted in October 2013.

32 The Authority's scrutiny function has been supported by the delivery of over eight training sessions to members, against a target of seven, representing 209 training days against a target of 168. However, the average attendance of members was only 62 per cent, against a target of 75 per cent.

The Authority, often working with others, delivered a number of improvements aimed at safeguarding biodiversity within the Park

33 Conserving and enhancing biodiversity was a further improvement objective that the Authority adopted for 2012-13. The aim was to achieve this objective through public engagement, practical action and planning advice. The Authority carried out a wide range of work during 2012-13 to support delivery of this objective. The following paragraphs refer briefly to some of these activities. More detailed information is available in the Authority's improvement plan.

34 Various sites that benefited from direct management by the Authority included dwarf shrub heath and blanket bogs, lowland broadleaf woodland, lowland acid and neutral grassland and linear habitats such as ditches, hedges and riverside corridors. The Authority's wardens team plays a significant role in carrying out this work.

35 In 2012-13, the Authority, delivered or began a number of projects linked to supporting biodiversity. As a relatively small organisation, the ability to work with other organisations, volunteers and the public is an important approach to help deliver the Authority's objectives. The Authority has worked with Outdoor Education Centre staff, Brecon Beacons Trust, the Woodland Trust, Talgarth Woodland Group, Vincent Wildlife Trust, the Canal and River Trust and Powys County Council, to name but a few. Examples of achievements resulting from working with others include:

- collecting survey information on bats, moths, small mammals and birds at Fedw Wood;
- improving habitats for grass snakes along the Monmouthshire and Brecon canal;
- installing a large number of bird and bat boxes on community woodland sites; and
- undertaking scrub management in order to create a sunlit area for invertebrates and reptiles.

- 36 The Authority is particularly proud of its partnership working with the Green Valleys Community Interest Company³. A Service Level Agreement (SLA) has been agreed between both organisations which should help deliver a number of improvements over coming years. During 2012-13, this SLA was instrumental in delivering biodiversity and woodland group projects at Llangasty Caeau Ty Mawr, and a winter heather and grass burning programme on the Black Mountains and Mynydd Du.
- 37 Working with the South Wales Outdoor Activities Providers Group, the Authority used the Sustainable Development Fund to commission a survey and report on the risks to biodiversity that could result from gorge walking. The report focused on a survey of plants found in the lower sections of Mellte Gorge and resulted in recommendations on how to minimise impact.
- 38 The performance of the planning service has been reported on earlier in this report. In terms of its contribution to biodiversity a clear example is that a planning advice note relating to bats and buildings was significantly revised during 2012-13, with a view to ensuring more effective protection for these mammals. Research on establishing effective means of compliance monitoring of planning conditions relating to biodiversity conservations began in 2012-13 but was not completed within the planned timeframe.
- 39 The initiatives referred to above, and within the Authority's improvement plan, are designed to conserve and enhance biodiversity. However, the Authority has little or no information about the extent to which biodiversity has been conserved and enhanced. Recognising this problem, the Authority has already provided condition assessment training and is involved in an on-going SLA with the Biodiversity Information Service, a biological records centre, to improve our recording of information of different types of species and habitats.
- 40 Not all the related work planned by the Authority during 2012-13 has been carried out. This incomplete work includes the following, which the Authority now intends to deliver in 2013-14:
- exploring the feasibility of developing one or more grazing schemes;
 - providing a complete set of audits with recommendations for biodiversity conservation projects;
 - identifying where synergy might be achievable between village design plans, biodiversity audits, new community woodlands and food projects; and
 - designating Talybont Reservoir as a Local Nature Reserve.

³ A local company that aim to inspire and support communities to work together to reduce carbon emissions, generate income and deliver social and environmental benefits.

A wide range of people and organisations were encouraged to appreciate and become more involved with the Park

- 41 During 2012-13 the Authority also aimed to ensure that communities were inspired by and recognised the benefits of where they lived. Its education service played a key role in seeking to deliver this objective. In its involvement with schools, the Authority engaged with over 6,600 students and teachers, an increase of over 800 from the previous year. Officers of the education service spent on average over 3.5 hours with each participant, slightly more than the 3.3 hours in the previous year. This work contributed towards the Authority's findings that, on a scale of one to 11 for the level of inspiration experienced by participants, the score most returned was 10. The Authority carried out a scrutiny review of this particular improvement objective. The review made 11 recommendations and agreed an action plan designed to address each of these in turn.
- 42 The positive feedback from those engaging with the Authority is replicated by the response of those involved in a project run by the Authority to develop rural skills. This project was run for the first time in 2012-13 and attracted 29 participants with 72 per cent achieving Agored Cymru⁴ accreditation as a result. All the learners felt they had gained new skills, had increased confidence, given them an insight into available employment opportunities and were interested in taking part in further courses. Almost all participants said that they would consider volunteering to do outdoor work.
- 43 Having laid the preparatory work earlier in 2012, the Authority was successful in recruiting 15 black and minority ethnic group champions as part of the Mosaic⁵ initiative. These champions are usually from urban areas and, having learnt about what national parks have to offer, use their experience to inspire others.
- 44 The Authority runs an Ambassadors scheme that focuses on businesses and individuals involved in tourism. These ambassadors are then better able to promote the Park through the provision of information and advice to visitors. During 2012-13, 28 individuals or businesses attended and successfully completed a three day course, increasing the total number of national park ambassadors to 65. The Authority has also developed a Community Council Charter⁶ along with 28 Community Councils and, during 2012-13, 17 of the community councils have signed up to an accompanying action plan.
- 45 Volunteers are an integral part of the way the Authority delivers its work. Volunteer numbers increased from 127 in 2011-12 to 147 in 2012-13. This led to an increase from 14 to 20 in the number of projects that volunteers were involved in, representing over 1300 volunteer days, a significant increase over the 780 days achieved in 2011-12. 'Walkers are Welcome' is a nationwide initiative launched in 2007 to encourage towns and villages to be welcoming to walkers. Working with a number of towns in the area, the Authority supported three towns to achieve Walkers

4 An organisation specialising in meeting the needs of all learners in Wales.

5 A project run jointly by all three National Park Authorities in Wales, aimed at promoting long-term engagement between under-represented groups and National Parks.

6 A charter that sets out how the Authority and Community Councils can work together for the benefit of local communities.

are Welcome status in 2012-13. No doubt these results suggest that, at least to some extent, those involved have been inspired by and recognise the benefits of living within, or close to, the Park.

- 46 The previous paragraphs set out the Authority's performance in relation to those aspects that it had decided to adopt as indicators of whether a particular improvement objective had been achieved⁷. Some of those measures are not always as meaningful as one would hope. However, our *Improvement Assessment Letter* to the Authority in August 2012 did recognise that the Authority had made significant progress in the way it set out its plans for improvement.

The Authority is improving its approach to promoting the use of the Welsh language

- 47 The role of the Welsh Language Commissioner was created by the Welsh Language (Wales) Measure 2011. It is expected that new powers to impose standards on organisations will come into force through subordinate legislation by the end of 2014. Until that time, the Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.

- 48 The Commissioner works with all local authorities in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of local authorities to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every local authority is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report; provides a formal response and collects further information as required.

- 49 Not all of the Authority's website, or the new website set up in partnership with the local tourist agency, is bilingual. The Authority has committed to translating the content and will need to do so as a matter of priority. There was an increase in the number of staff receiving Welsh language training during 2012-13 and all new members of staff received language awareness training as part of the induction process. This investment in training is increasingly important in the face of current restrictions on external recruitment. The Authority has amended its grant application form to include a question asking applicants to explain how they would provide for Welsh speakers. There was also an increase in the budget for individual grants in order to ensure a translation resource as and when required.

⁷ Referred to in the Authority's Improvement Plan for 2012-13 as 'How will we know...'

The Authority's approach to evaluating and reporting on its performance continues to improve, supported by its inclusive approach to governance

50 In January 2014 we wrote to the Authority's Chief Executive to advise him that the Authority had discharged its improvement reporting duties under the Measure, although there was potential to strengthen its arrangements further. We reached this conclusion because:

- the Authority published an assessment of its performance during 2012-13 in its *Annual Report on the Improvement Plan 2012-13 Part 2* (the Report) before 31 October 2013;
- the Report assesses the Authority's performance in the preceding financial year (2012-13) and sets out how the Authority has sought to discharge its duties under the Measure;
- the Report includes summary evaluations on progress against the Authority's improvement objectives and sets out performance information for a number of areas together with, where available, comparisons with its own performance since 2010 11 and with the other two national park authorities in Wales; and
- the Report includes information on the ways in which the Authority has sought to collaborate.

51 However, the Report did not explicitly include an invitation for citizens to provide feedback or make comments on its contents. The Report did include an invitation for readers to visit its website to find out more about how the Authority is structured and administered. This, together with its public webcasting of its main committee meetings and its inclusive approach to carrying out its scrutiny reviews, suggests that the Authority is eager to engage with the public. Further information on these aspects has already been referred to earlier in this report.

52 The auditor appointed by the Auditor General recently gave his opinion on the Authority's accounts and based on this the Appointed Auditor's view is that the financial statements were satisfactory. [Appendix 3](#) gives more detail.

The Authority has consolidated the progress it made in setting out its plans for improvement. The Authority can further improve its asset management and is exploring ways to improve the evaluation of its governance arrangements

53 We wrote to the Authority's Chief Executive in September 2013 to advise him of our views about the arrangements the Authority had put in place to secure improvements during 2013-14. Our opinion was that the Authority had discharged the majority of its improvement planning duties under the Measure but its Improvement Plan in Welsh was published late and the Authority should ensure that it acts more in accordance with Welsh Government guidance.

54 We reached this conclusion because:

- The Authority's improvement objectives for 2013-14 were:
 - developed in the context of consultation with stakeholders that was at an appropriate level for a relatively small organisation;
 - developed with the involvement of members and staff, as part of a structured approach that spanned a five month period;
 - generally focused on outcomes, rather than actions; and
 - subject to an equalities impact assessment before being formally approved by the Authority.
- However:
 - the improvement objectives were closer to longer term aspirations of the Authority, rather than focusing more clearly on annual objectives that could help deliver those longer term strategic objectives.

- The Authority's improvement plan for 2013-14:
 - built on the improved format used for 2012-13, so as to clearly set out the relevant context and expected outcomes for each improvement objective;
 - included measures and targets, where appropriate, for its improvement objectives;
 - contained information on how communities or stakeholders may propose new improvement objectives during the year; and
 - was formally approved by the Authority and was published in early May which was as soon as practical after the start of the financial year and significantly earlier than in previous years.
- However:
 - the Authority was late in publishing its Improvement Plan in Welsh.

55 The Measure is designed to encourage improvement authorities to develop and deliver annual improvement objectives. While these can be rolled out, subject to review, over longer than a one year period, they are not intended to be strategic. Rather, they should represent objectives that help build towards achieving longer term goals and that are achievable, though challenging, over a shorter time span.

56 The Authority's improvement objectives for 2013-14 were linked to the themes within its National Park Management Plan 1. For example:

- Management Plan Theme:
 - 'Managing Park Landscapes to maximise conservation and public benefits.'
- Relevant Improvement Objective:
 - 'Through effective partnership, facilitation, practical action and the planning function the Park's historic environment and cultural heritage will be conserved, enhanced and promoted.'

57 While the Authority's Improvement Objectives for 2013-14 were clearly linked to the themes within its Management Plan, they were more aligned with longer term strategic objectives, rather than the annual improvement objectives envisioned by the Measure.

58 The Authority's *Improvement Plan* for 2013-14 was adopted and published on the Authority's website at the beginning of May 2013. This was much earlier than in previous years and much more timely in terms of having the ability to achieve the objectives set out in that document. The *Improvement Plan* consolidated the significant improvements the Authority made in its *Improvement Plan* for 2012-13. It was easy to read and told a story around each improvement objective, using headings such as 'Why we are focusing on this Improvement Objective', 'What we will do',

'How we will do it' and 'How will we know if we have achieved.....'

59 Welsh Government guidance under the Local Government Measure states that an Improvement Plan 'should be published in hard copy and on the Internet, in Welsh and in English, subject to the terms of each authority's Welsh language scheme'. The Authority's Welsh language scheme states that 'when the Authority prints and publishes material for the general public, it will do so bilingually'. While the Improvement Plan is not specifically aimed at the general public, Local Government Measure guidance is that it should be made available to them. However, due to an oversight, the Authority did not publish a Welsh language version of its final Improvement Plan. This error was corrected as soon as it was brought to the Authority's attention.

60 In that same letter we expressed our view that the Authority was likely to comply with the requirement to make arrangements to secure continuous improvement during 2013-14. We reached this conclusion because the Authority had:

- agreed an improvement plan that set out the Authority's plans for delivering improvements and established some measures and targets for its improvement objectives;
- made progress in responding to our proposals for improvement;
- tightened up its approach to the validation of relevant performance information; and

- been actively involved in initiatives designed to improve the quality of its Annual Governance Statement.

61 However we also expressed our view that the Authority's Improvement Plan failed to set out measures of success for a small number of the anticipated outcomes. Examples included those for fewer unauthorised works to historic buildings and for improved awareness and knowledge amongst owners and applicants.

62 In our *Improvement Assessment Letter* to the Authority, dated 24 August 2012, we noted that the potential benefits of the Authority's Annual Governance Statement would not be fully realised until that statement incorporated greater evaluation of the effectiveness of the Authority's governance arrangements. Since issuing that letter, representatives from the Authority, together with the other two National Park Authorities in Wales, attended a workshop run by the Wales Audit Office designed to assist those authorities in developing more evaluative Annual Governance Statement's in future years. All three national park authorities in Wales are now working together to improve the way they report annually on their governance arrangements, exploring an option of developing an identical reporting structure.

63 During February 2014, we carried out a short review of the Authority's asset management arrangements. That review resulted in a separate report to the authority. We concluded that underdeveloped corporate responsibility, together with policies that do not effectively support decision making, undermine the Authority's asset management arrangements. We reached that conclusion because:

- the Authority's asset management plan identifies ways to improve property management and decision-making, but is out of date and lacks formal supporting policies that could help achieve its objectives;
- roles and responsibilities to support effective asset management both internally and externally are not sufficiently clear;
- the Authority works well with external stakeholders, but acknowledges there is scope to develop partner involvement in asset management; and
- the Authority manages its planned maintenance programme, but lacks a wider picture of asset management performance.

64 As a result of our review of asset management we made five proposals for improvement.

The Authority faces a number of significant challenges over the next two years but it is too early to say to what extent these will affect the Authority's ability to deliver improvements

- 65 All three national park authorities in Wales face some significant changes in the future. These include the Welsh Government's response to the Commission on Public Service Governance and Delivery ('Williams Commission Report') and the outcome of consultation on a proposed new Planning Bill. A governance review of national park authorities is also planned.
- 66 Overall, the changes proposed by the Williams Commission that could affect the national park authorities in Wales are less sweeping than might have been anticipated. The Williams Commission did not recommend that the planning function should be taken away from national park authorities but did suggest that options for creating one national park authority should be looked into. The Authority, along with the other two national park authorities in Wales, has submitted its response to the consultation on the proposed Planning Bill.
- 67 While the Authority is mindful of significant changes that might fundamentally affect the way it operates and, indeed, its very existence, these are very much in the future and, for now, its focus is primarily in relation to the budgetary cuts it faces over the next two years, and possibly beyond.
- 68 The Chancellor of the Exchequer announced the 2010 spending review to parliament on 20 October 2010. This formed a central part of the coalition government's response to reducing the national deficit, with the intention to bring public finances into balance. These savings represent the largest reduction in public spending since the 1920s and come at a time when demographic changes and recession-based economic pressures are increasing demand for some services. To effectively plan finances authorities should analyse details of financial trends, appropriate benchmarking information, possible scenarios and their likely impact over the short, medium and long term. The current financial climate and the recent tough settlement for authorities mean that good financial planning is critical to sustaining financial resilience.
- 69 The Wales Audit Office is currently examining authorities' financial health, their approach to budgeting and delivering on required savings, to provide assurance that authorities are financially resilient. This work will consider whether authorities have robust approaches in place to manage the budget reductions that they are facing to secure a stable financial position that enable them to continue to operate for the foreseeable future. The focus of the work is on the 2014-15 financial planning period and the delivery of 2013-14 budgets. This review will be completed early in 2014-15 and we will publish the findings in our next cycle of improvement assessment work.
- 70 All three national park authorities in Wales face significant budgetary cuts during the 2014-15 and 2015-16 financial years. These cuts have been imposed by the Welsh Government, with no guarantee that further cuts will not be required in future years. The cuts equate to a reduction of 8.75 per cent in 2014-15 and a further 4.31 per cent in 2015-16. For this Authority, this equates to £675,000 over two years. With a significant percentage of the Authority's budget comprising of staff costs, the savings will inevitably affect staffing levels, with a consequential impact on service delivery.

- 71 In exploring the options available for making savings, the Authority, understandably, ensured that some of the proposals being discussed were kept confidential. This confidentiality primarily related to those elements of the budgetary cuts that would personally affect some individuals employed by the Authority.
- 72 At the time of drafting this report, the definitive approach to delivering the budgetary cuts had not been finalised and shared with relevant staff. As such, it would be inappropriate to set the proposed cuts out in this report. However, in working towards a final decision, the Authority has involved staff, members and trade unions in drawing up a number of options for finding the required savings.
- 73 Since budgetary cuts will take time to be implemented the Authority intends to make use of its reserves to help manage the process. At its meeting on 7 February 2014, the Authority agreed to use nearly £73,000 of its reserves to assist in managing the process. This takes the level of reserves closer to the minimum recommended by the Authority's Section 151 officer.
- 74 Our recent reports have referred to the Independent Remuneration Panel for Wales' (the Panel) recommendation that remuneration for members should be based on an annual salary rather than, as had been the case for the Authority in the past, being based on a daily attendance allowance. This led, initially, to a drop in the level of attendance by members. The chair of the Authority was keen to address this problem and attendance by members has now improved and is not currently seen as an issue by the Authority. The Panel also recommended significant increases in remuneration for members who occupied four senior posts, together with a much smaller increase for other members. The Authority is required to adopt the increases as part of its schedule of member remuneration. However, when the issue was debated at the Authority's main committee meeting, members of the Authority were minded not to accept the increase and the holders of the four senior posts have publically declared their intention not to accept those increases during 2014-15. While it is always open for individual members to change their minds and accept the recommended increases, the waiving of these increases sends out a supportive message to staff at a time of budgetary cuts.
- 75 Having already been awarded the Welsh Local Government Association's Basic and Advanced Charters for Member Support and Development, the Authority plans to apply for renewal of the award of the Advanced Charter during 2014-15. The Advanced Charter is designed to recognise that the arrangements required for the Charter are working effectively.
- 76 In our *Improvement Assessment Letter* of 23 September 2013 we welcomed the increased involvement of members in various initiatives designed to promote improvement, while highlighting the risk that there would be insufficient staff capacity to support these developments. Anecdotal evidence suggests that the appointment of a permanent part time Scrutiny Officer has

helped to mitigate these risks. However, capacity still remains a risk, especially as the Authority faces the significant challenges referred to earlier in this report. In recognising this possibility, the Authority successfully explored an option for the joint procurement of the Modern.Gov⁸ democratic services management system. Such a system has the potential to significantly reduce the time needed to build and collate agenda and reports for the Authority and its committees, freeing up capacity to address other areas of work.

- 77 The Authority has held discussions with its internal auditors about developing an approach to reviewing the effectiveness of its various committees. Some work has already been carried out with the Authority's Audit and Scrutiny Committee and the Authority is reviewing that process with a view to carrying out further evaluative work on its other committees later in the year.
- 78 Ffynnon is a nationally procured software solution designed to meet the performance management requirements of local authorities, fire and rescue services, national park authorities and their partners. It has been used by all three national park authorities in Wales for a number of years. However, the Welsh Government's contract with Coactiva Aspiren Ltd for the supply of the Ffynnon software performance management system comes to an end on 30 June 2014. The Authority is exploring the options for signing a contract directly with the supplying company but it is not yet clear whether this can be agreed at a reasonable cost to the Authority. The absence of suitable software for handling information would have

a significant effect on the Authority's ability to monitor and report on its performance. This risk, and its impact on the Authority's corporate capacity, has now been reflected in the Authority's corporate risk register. All three national park authorities have explored the option of a bridging contract that could secure the performance management system over the next two years. We understand that this has now been secured for a period of 12 months.

- 79 The three National Park Authorities in Wales commissioned a study into the joint working opportunities for the planning departments of the three Welsh National Parks⁹. The final report was published in August 2013. The report sets out a number of recommendations and 'quick wins'. The report's findings have been generally welcomed by all three national park authorities in Wales and have begun to jointly explore how some of the recommendations could be implemented, with each of the three national park authorities taking a lead on different elements. These include options for joint approaches to reviewing Local Development Plans, consultation and options for sharing services and staff.

⁸ A committee decisions management system.

⁹ Carried out by Land Use Consultants.

Appendices

Appendix 1 Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national park authorities, and fire and rescue authorities.

This report has been produced by the staff of the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'. Improvement authorities are defined as local councils, national park authorities, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority's track record of improvement. The Auditor General will summarise his audit and assessment work in a published Annual Improvement Report for each authority (under section 24).

The Auditor General may also in some circumstances carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2

Useful information about the Brecon Beacons National Park Authority

The Authority

The Authority spends approximately £5.1 million per year (2013-14). This equates to about £157 per resident. In the same year, the Authority also planned to spend £0.14 million on capital items.¹⁰

The Authority is made up of 24 members. Sixteen are elected members appointed by local councils that fall either fully or partly within the Authority's area and eight appointees are made by the Welsh Government. These members make decisions about priorities and use of resources. The make-up of the Authority is as follows:

- Eight appointed by Powys County Council;
- Two appointed by Monmouthshire County Council;
- Two appointed by Carmarthenshire County Council;
- One appointed by Merthyr Tydfil County Borough Council;
- One appointed by Torfaen County Borough Council;
- One appointed by Blaenau Gwent County Borough Council;
- One appointed by Rhondda Cynon Taf County Borough Council; and
- Eight appointed by the Welsh Government.

The Authority's Chief Executive is John Cook. The Director of Planning is Christopher Morgan and the Director of Countryside and Land Management is Julian Atkins. For more information see the Authority's own website at www.breconbeacons.org or contact the Authority at Brecon Beacons National Park Authority, Plas y Ffynnon, Cambrian Way, Brecon, Powys, LD3 7HP.

¹⁰ Financial and population data extracted from the Welsh Government's StatsWales website.

Appendix 3

Annual Audit Letter

Mr J Cook
Chief Executive
Brecon Beacons National Park Authority
Plas y Ffynon
Cambrian Way
Brecon
Powys
LD3 7HP

Dear Mr Cook

Annual Audit Letter

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Park Authority complied with its responsibilities relating to financial reporting and its use of resources

It is the Authority's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

I issued an unqualified audit opinion on 30 September 2013 on the accounting statements confirming that they presented a true and fair view of the Authority's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members at the Full Authority meeting on 30 September 2013 in my Audit of Financial Statements (ISA260) report. The main issues arising were as follows:

- I reported that there had been some typographical and casting errors in the draft accounts and highlighted scope to improve their quality in future.
- There were a small number of 'corrected misstatements'.
- I did not encounter any significant difficulties during our audit. We received information in a timely and helpful manner and were not restricted in our work. The effective working arrangements established with finance staff have continued for this year.

My consideration of the Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts, as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. Overall, I am satisfied that the Authority has appropriate arrangements in place. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

I issued a certificate confirming that the audit of the accounts had been completed on 11 October 2013. During the course of the year there have been no formal challenge or objection issues that I have had to deal with. The financial audit fee for 2012-13 will be in line with the agreed fee that was set out in my Annual Audit Outline.

I would like to express my appreciation to all the Authority staff that assisted with the completion of my audit.

Yours sincerely

Richard Harries, Engagement Lead

For and on behalf of the Appointed Auditor
6 December 2013

cc. Elaine Standen, Finance Manager

Appendix 4

Brecon Beacons National Park Authority's improvement objectives and self-assessment

The Authority's improvement objectives

The Authority is required by the Welsh Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Authority intends to do to improve. The Authority must do this as soon as possible after 1 April each year.

The Authority published its improvement objectives for 2013-14 in its *Improvement Plan for 2013 to 2014* which can be found on the Authority website at www.beacons-npa.gov.uk. They are:

Improvement Objectives 2012-13	Improvement Objectives 2013-14
The Authority provides an excellent planning service.	Through effective partnership, facilitation, practical action and the planning function the Park's historic environment and cultural heritage will be conserved, enhanced and promoted.
The National Park's special qualities are protected from inappropriate development.	Through effective partnership, facilitation, practical action and the planning function Biodiversity will be conserved and enhanced.
The Park's heritage is conserved and enhanced.	Through effective partnership, facilitation, practical action and the planning function sustainable living, social resilience, and community pride will be enabled.
Public confidence in and accessibility to the Authority's conduct of business and governance will be improved.	Through effective partnership, facilitation, practical action and the planning function the use of sustainable transport by visitors will be encouraged and enhanced.
Biodiversity is conserved and enhanced through public engagement, practical action and planning advice.	
Communities are inspired by and recognise the benefits of where they live.	

The Authority's self-assessment of performance

The Authority's self-assessment of its performance during 2012-13 can be found in its *Annual Report on the Improvement Plan 2012-13 Part 2* which can be found on the Authority website at www.beacons-npa.gov.uk.

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

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: info@wao.gov.uk

Gwefan: www.wao.gov.uk