



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report 2014-15

## Brecon Beacons National Park Authority

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

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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.

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# Summary report

## Purpose of this report

- 1 Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils, fire and rescue authorities, and national park authorities, and to assess whether each authority will meet statutory continuous improvement duties<sup>1</sup>. This work has been undertaken on behalf of the Auditor General by staff of the Wales Audit Office. **Appendix 1** provides more information about the Auditor General's powers and duties in local government.
- 2 This Annual Improvement Report (AIR) summarises the audit work undertaken at Brecon Beacons National Park Authority (the Authority) since the last such report was published in May 2014. This report also includes a summary of the key findings from the Welsh Language Commissioner. This report does not represent a comprehensive review of all the Authority's arrangements or services. The conclusions in this report are based on the work carried out at the Authority by relevant external review bodies, where appropriate, and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 3 Taking into consideration the work carried out during 2014-15, the Auditor General will state in this report whether he believes that the Authority is likely to make arrangements to secure continuous improvement for 2015-16.
- 4 This statement should not be seen as a definitive diagnosis of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 5 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.officer@audit.wales](mailto:info.officer@audit.wales) or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

<sup>1</sup> Duties and requirements contained within the Local Government (Wales) Measure 2009 (the Measure).

## The Authority continues to improve many aspects of the Park and has responded effectively to cuts in funding, although it could do more to develop some supporting processes

- 6 We found that, in 2013-14, the Authority supported biodiversity and sustainable approaches in its work but failed to meet targets relating to the historic environment and cultural heritage. In particular:
  - a all of the Authority's measures of success relating to the conservation and enhancement of biodiversity were achieved;
  - b the Authority made a useful contribution towards promoting sustainable living and transport, social resilience and community pride; and
  - c long-term officer sickness absence contributed to the failure to meet most targets relating to the Park's historic environment and cultural heritage.
- 7 We also found that:
  - a the Authority evaluated and reported on its performance and published its plans for improvement in accordance with the requirements of the Local Government Measure; and
  - b the Authority's response to reduced funding has benefited from an inclusive approach and effective scrutiny but some supporting processes could be developed further.
- 8 As part of our work at all three National Park Authorities in Wales to assess the extent to which they are delivering efficient planning services with less money, we found that the Authority is taking an inclusive approach to governance and is helping to promote sustainable development, although performance management, particularly in relation to its planning service, does not make enough use of comparative data.
- 9 In view of the above, and based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Authority is likely to comply with the requirements of the Local Government Measure during 2015-16.

## Recommendations and proposals for improvement

- 10 Given the wide range of services provided by the Authority and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- a make proposals for improvement – if proposals are made to the Authority, we would expect it to do something about them and we will follow up what happens;
  - b make formal recommendations for improvement – if a formal recommendation is made, the Authority must prepare a response to that recommendation within 30 working days;
  - c conduct a special inspection and publish a report and make recommendations; and
  - d recommend to Ministers of the Welsh Government that they intervene in some way.
- 11 During the course of the year, the Auditor General did not make any formal recommendations. However, lower-priority issues, known as proposals for improvement, are contained in our other reports but may be referred to later on in this report. We will continue to monitor proposals for improvement during the course of our improvement assessment work.
- 12 The Auditor General also makes recommendations that may be relevant to Authorities in his Local Government National Reports. A list of relevant recommendations contained in reports issued in 2014-15 can be found in [Appendix 5](#).
- 13 We have not made any recommendations in this report but two proposals for improvement are set out below.

### Proposals for improvement

- |    |   |
|----|---|
| P1 | Build on recent improvements in the Authority's approach to managing corporate risks by developing a formal process that also identifies and manages service risks. |
| P2 | Involve staff and members in a discussion about ways in which reports to members could be improved.   |

## Detailed report

The Authority supported biodiversity and sustainable approaches in its work although it failed to meet targets relating to the historic environment and cultural heritage



- 14 This section of the report looks at the Authority's performance in the period between 1 April 2013 and 31 March 2014. 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. Any improvement objectives that were focused on issues relating to its planning service are discussed briefly later in this report in the section that summarises the specific work we carried out in relation to the Authority's planning service.
- 15 All the improvement objectives adopted by the Authority for 2013-14 are linked to one or more of the six Key Themes within its National Park Management Plan which, in turn, have been adopted as the Authority's six corporate goals. Linking all these aims and objectives together helps to give the Authority a clear focus for delivering improvement. Each of the Authority's four improvement objectives for 2013-14 explicitly identifies the importance of partnerships, facilitation, practical action and the Authority's planning function in delivering each objective.

#### All of the Authority's measures of success relating to the conservation and enhancement of biodiversity were achieved

- 16 The conservation and enhancement of biodiversity was also adopted as an improvement objective for 2013-14. The Authority recognises that, as these are on-going, longer-term aspirations, it can prove difficult to collect evidence that can demonstrate achievement of these aims. Nevertheless, the measures of success chosen by the Authority support an argument that the Authority is contributing towards achieving these aims.
- 17 The Authority achieved four out of the five measures of success it had adopted and, by identifying alternative funding, effectively met the remaining measure of success. These measures of success included assessing progress on site conservation projects, establishing overseeing arrangements for a Special Area of Conservation, assisting applications for the Welsh Government's Glastir Advanced<sup>2</sup> scheme, and ensuring that a landscape scarred by a gas pipeline installation was restored in accordance with the conditions laid out by Natural Resources Wales. Although the Authority's bid for Heritage Lottery Funding for its upland management project was unsuccessful, it managed to secure alternative funding from the Welsh Government's Nature Recovery Fund<sup>3</sup>.

<sup>2</sup> A scheme targeted at farmers and land managers in Wales with a view to delivering environmental improvements.

<sup>3</sup> Available for projects that tackle declining biodiversity.



## The Authority made a useful contribution towards promoting sustainable living and transport, social resilience, and community pride

- 18 In selecting the enabling of sustainable living, social resilience, and community pride as an improvement objective for 2013-14, the Authority set out its wider ambitions for how a relatively small organisation can try to contribute to the quality of life, both now and in the future. The initiatives the Authority put in place in relation to this objective were wide ranging and focused primarily on its 'enabling' aspect. These initiatives include:
- a the adoption of its Local Development Plan;
  - b the development of a framework for Village Plans<sup>4</sup> and facilitating an associated workshop with Town and Community Councils; increasing the number of active rural alliances from eight in 2012-13 to 13 in 2013-14;
  - c involving 28 Community Councils in the delivery of a Community Council Charter Action Plan; and
  - d helping to ensure that accredited training was provided for 27 disadvantaged individuals through the Rural Skills programme.
- 19 The long-running Service Level Agreement (SLA) between the Authority and the Green Valleys Community Interest Company continues to bear fruit. In 2013-14, this SLA was instrumental in ensuring that 69 hectares of woodland were actively managed and 67m<sup>3</sup> of wood fuel and 750kg of charcoal were produced. While only the production of charcoal exceeded the Authority's target, these results do contribute towards the achievement of the Authority's improvement objective<sup>5</sup>.
- 20 During 2013-14 the Authority included an improvement objective aimed at encouraging and enhancing the use of sustainable transport by visitors. The Authority continued its training with local businesses on the use of sustainable transport. This training helps businesses give information to visitors on the public transport options available locally. Although reaching fewer businesses than in 2012-13 and being below its target of training 24 people, the Authority engaged with 21 people over the course of five training courses.
- 21 During 2013-14, the Authority continued to support and help fund the Beacons Bus service. Beacons Buses meet at the Brecon bus terminus, and then depart for destinations all over the Brecon Beacons and the Black Mountains. After a full day out, the buses return to the terminus. The service allows visitors to take a more sustainable approach to exploring the National Park. Passenger journeys increased by over 18 per cent from the 10,776 achieved in 2012-13, exceeding the 2013-14 target of 11,000.

<sup>4</sup> A Village Plan (sometimes called a community or parish plan) aims to address social, economic and environmental issues based on residents' views of what is important.

<sup>5</sup> At the time of drafting this report, the Authority was not in a position to report on its performance in relation to the reduction in CO<sub>2</sub> emissions.

- 22 As in the previous year, the Authority produced and distributed 30,000 pocket bus timetable guides and it met its target of producing a video which promotes the use of TrawsCymru's T4 link between Cardiff and Newtown, which offers environmentally friendly travel and value-for-money fares.

**Long-term officer sickness absence contributed to the failure to meet most targets relating to the Park's historic environment and cultural heritage**

- 23 The Authority set out a number of measures of success that could help demonstrate the extent to which, during 2013-14, it had met its improvement objective of conserving, enhancing and promoting the Park's historic environment and cultural heritage. As in previous years, it set itself targets for each of these measures. Unfortunately, the majority of these targets were not met. In some cases, performance was well below what had been anticipated. Examples include no reduction in the number of buildings at risk, against a target reduction of eight and not completing any conservation area appraisals, against a target of completing two.
- 24 The long-term sickness of a member of staff was a significant factor in the Authority's inability to meet these targets. In the context of reduced staff resources, the Authority took a decision to focus work on other activities that related to the remaining measures of success. The Authority was able to demonstrate some progress in these areas. Examples include increasing the number of listed buildings grant aided from seven in 2012-13 to its target of eight in 2013-14 and meeting its target of running one heritage day. The Authority increased the percentage of photographic evidence of Scheduled Ancient Monuments from 44 per cent to 69 per cent, exceeding its target of 64 per cent. This work is carried out in collaboration with CADW<sup>6</sup>, with the Authority successfully making use of volunteers.

<sup>6</sup> CADW is the Welsh Government's historic environment service.

## The Authority evaluated and reported on its performance and published its plans for improvement in accordance with the requirements of the Local Government Measure

- 25 In December 2014 the Auditor General issued a certificate to the Authority confirming that he had audited the Authority's Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and the Wales Audit Office's Code of Audit Practice. As a result of that audit, the certificate also stated the Auditor General's belief that the Authority had discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- 26 Under the Measure, the Authority is required to annually publish an assessment which describes its performance:
- a in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
  - b in meeting the improvement objectives it has set itself;
  - c by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
  - d in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.
- 27 The Measure requires the Authority to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order. The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in publishing its assessment.
- 28 In June 2014 the Auditor General issued a certificate to the Authority confirming that the Authority's Improvement Plan had been audited in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and the Wales Audit Office's Code of Audit Practice. As a result of that audit, the certificate stated the Auditor General's belief that the Authority had discharged its duties under section 15(6) to (9) of the Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties.
- 29 Under the Measure, the Authority is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:
- a make arrangements to secure continuous improvement in the exercise of its functions;
  - b make arrangements to secure achievement of its improvement objectives; and
  - c make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

- 30 The Measure requires the Authority to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order. The Authority is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.
- 31 The work carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

## The Authority's response to reduced funding has benefited from an inclusive approach and effective scrutiny but some supporting processes could be developed further

- 32 As was noted in last year's Annual Improvement Report, all three national park authorities in Wales faced significant budgetary cuts during the 2014-15 financial year and beyond. The Authority has been advised that, for 2015-16, its total budget will be nearly £173,000 less than was the case in 2014-15, equating to a reduction of 4.15 per cent, a slightly better position than the 4.3 per cent reduction that the Authority had anticipated.
- 33 However, the letter informing the Authority of this figure made it clear that revenue grant for the Authority, as with the other two national park authorities in Wales, may be reduced during the year, adding an element of uncertainty. This in-year reduction was a feature of the Authority's 2014-15 funding allocation. The Authority's capital allocation was removed during the 2014-15 financial year but replaced by additional revenue funding. The additional revenue funding was nearly £12,000 more than the capital funding that was removed. No capital funding is being received by the Authority in 2015-16 so money for any capital projects will continue to be found from revenue contributions.
- 34 In late 2014-15, a £161,000 Access grant<sup>7</sup>, which included an element of capital funding, was granted by the Welsh Government and subsequently used by the Authority to help offset the reduced funding in other areas. Currently, an additional Access grant from the Welsh Government is not being made available for 2015-16. The Authority's Sustainable Development Fund has been maintained at £175,000 for 2015-16.
- 35 The Authority has updated its three-year financial plan reflecting the expected cuts in Welsh Government funding. Although there is significant uncertainty about future levels of funding for all national park authorities in Wales, a medium-term financial plan that includes a range of scenarios is becoming increasingly important for the Authority as a means of planning effectively for the future. The Authority is currently developing a comprehensive medium-term financial plan to help support it to explore options for how services could be provided in the longer term.
- 36 The Authority's Future Directions forum involved members and officers in a detailed consideration of options and priorities before arriving at an agreed approach to making the required savings.
- 37 The scale of the budget cuts required for 2014-15 necessitated finding savings on staff salaries that, almost inevitably, led to a reduction in staffing levels. Examples of deleted posts include:
- a an Information Officer;
  - b a Planning Technician (Policy);
  - c a Catering Assistant;
  - d an Assistant Area Warden;

<sup>7</sup> A grant from the Welsh Government that focuses on promoting wider access to countryside and coastal areas.

- e a legal officer;
  - f two part-time Information Assistants; and
  - g a part-time Senior Planning Officer.
- 38 The Authority has implemented a number of additional cost saving measures, including:
- a withdrawing financial support for the Beacons Bus service;
  - b closing the Abergavenny Information Centre and incorporating that facility within the existing, nearby Tithe Barn community and visitor centre<sup>8</sup>;
  - c extending the SLA for outsourced legal work to cover additional areas;
  - d outsourcing graphic design work;
  - e extending the cycle for IT software and hardware funding from three years to five years and moving the budget into the centre; and
  - f increasing the use of volunteers.
- 39 In order to better deal with the pressures on funding the Authority moved to a presumption that vacant posts would not be filled but that requests to fill vacant posts would have to be submitted to the Authority's Corporate Management Team (CMT) for consideration. Similarly, any claim for additional remuneration as a result of increasing a post's responsibilities must be now approved by CMT. If the claim is approved, the relevant Director must fund the additional costs from within the directorate budget. The Authority also halved its staff training budget although, to date, there are no training requests that have been refused because of insufficient resources.
- 40 The Authority's staff sickness absence rate reduced to 2.26 per cent in 2013-14 from 3.3 per cent in 2012-13 and was lower than at the other two National Park Authorities in Wales. The Authority's human resources section has analysed these figures and is satisfied that there is no particular part of the organisation where sickness absence is a significant issue.
- 41 In March 2014 we published a review of the Authority's approach to asset management<sup>9</sup>. That review concluded that 'underdeveloped corporate responsibility, together with policies that do not effectively support decision making, undermine the Authority's asset management arrangements' and set out some proposals for improvement. Whilst not directly linked to those proposals, the Authority has recognised the potential for making savings by reducing the space it uses within its current head office premises in Brecon. This would entail renegotiating its lease arrangements with Dyfed-Powys Police. The formal lease expired over two years ago but, until recently, the Authority has had little success in engaging with the police on this issue. Progress is now being made on this issue.

<sup>8</sup> A joint operation with Monmouthshire County Council, Abergavenny Town Council and a commercial operator.

<sup>9</sup> **Review of Asset Management: Brecon Beacons National Park Authority**

- 42 While the Authority is currently managing to respond to budgetary cuts, members we spoke to recognised that the Authority now had less leeway to take advantage of opportunities that may arise. Similarly, the Authority may be more averse to taking risks, even though there might be potential for making improvements to the delivery of services.
- 43 The Authority introduced a new reporting format for its risk register during 2014. The new format now includes information on the rationale for making any changes to risk levels. The Authority's Audit and Scrutiny Committee monitors progress on the risk register and it is reviewed by the Authority's Joint Management Team at least once a year and by the Authority's CMT every quarter. However, the Authority's risk register focuses only on corporate risks with no formal process for identifying and monitoring service risks, other than an expectation that directors should be aware of relevant service risks. Risks relating to specific projects are, however, monitored as part of the management of the project.
- 44 Members we spoke to felt that they always received the training they needed and that it was effective in delivering anticipated outcomes. The Authority successfully applied for a renewal of the Welsh Local Government Association's Advanced Charter, which was awarded in December 2014. In last year's Annual Improvement Report we referred to the recommendations relating to members' remuneration of the Independent Remuneration Panel for Wales (the Panel). Some of the Authority's members continue to elect not to take the increases they are entitled to, partly because, at a time of budgetary constraints, this would send out the wrong message to the Authority's staff.
- 45 The Authority's Audit and Scrutiny Committee has reiterated its commitment to carry out one scrutiny review each year of an improvement objective from the previous year. It also intends to carry out a similar review each year of an area of work taken from across the full range of the Authority's activities. The members we spoke to see these reviews as very valuable but taking up a lot of some members' time. Both the Wales Audit Office and the Welsh Government have acknowledged that the involvement of external participants in these reviews is a constructive approach to the scrutiny process. Reviews already completed or under way include those on social resilience and on sustainable transport.
- 46 The disbandment of the Welsh Government's scrutiny team has not affected the Authority as much as it might have affected other authorities. This is primarily because the Authority was quick to take advantage of the support available by that team when it was first made available and at a time when the Authority was well advanced in terms of developing such aspects as the webcasting of its meetings. In the longer term, the Authority recognises that there will be fewer external options for supporting member development.

- 47 As part of its commitment to supporting good governance, the Authority has also recently adopted the Modern Gov<sup>10</sup> system. Early indications are that, despite some initial problems, members and their administrative support are very positive about the contribution it is making to decision making and the timeliness of reports. The Authority continues to extend the range of Modern Gov features that it uses.
- 48 In a focus group session we held with some of the Authority's members, we identified the length and format of reports to committees as a potential issue. Members felt that the format of reports could be more user-friendly, which would support better decision-making. This view was not shared by some of the staff we spoke to. Similarly, we heard different views about the extent to which issues discussed at the Authority's Corporate Management Team could be more appropriately dealt with at directorate level.

**While the Authority's recently adopted Local Development Plan and the appointment of a new Welsh Language Officer are both encouraging developments, the Authority's websites are not fully bilingual**

- 49 The role of the Welsh Language Commissioner (the Commissioner) was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation on 31 March 2015. The Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 50 The Commissioner works with all authorities in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of authorities to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every 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.
- 51 The Commissioner reported that, as noted last year, not all of the Authority's website, or the new website set up in partnership with the local tourist agency, is bilingual. The delay continues to be a source of discussion between the Authority and the Commissioner. The Welsh Language Working Group did not hold meetings during 2013-14 but a new Welsh Language Officer was appointed and regular meetings were scheduled for 2014-15. A Local Development Plan was adopted which includes a condition that, in order to allow development in a Welsh-speaking area, it must be proved that the proposed development will not have a detrimental impact on the linguistic characteristics of the area.

<sup>10</sup> A committee decisions management system that makes use of modern technology.



## The Authority is taking an inclusive approach to governance and is helping to promote sustainable development, although performance management, particularly in relation to its planning service, does not make enough use of comparative data

- 52 As part of our current work reviewing the Authority's planning service we took the opportunity to explore further the Authority's approach to governance, performance management and sustainable development. Brief details of our findings are set out in the following paragraphs and, where relevant, have informed other aspects of this Annual Improvement Report.
- 53 Governance within the Authority is being strengthened by taking opportunities to engage stakeholders in the Authority's committee work. For example, Planning, Access and Rights of Way Committee meetings are webcast, as are other meetings of the Authority. Members of the public are invited to vote on which of the Authority's improvement objectives should become the subject of a detailed review by its Audit and Scrutiny committee. Once a particular subject area has been selected, members of the public and representatives of relevant outside organisations are invited to take an active role in that review process.
- 54 The Authority's member development training programme supports better decision making by ensuring that modules are included that cover areas such as Section 106 agreements, the Local Development Plan and Supplementary Planning Guidance. The mix of members from more than one council, together with nominees from the Welsh Government, helps to ensure that the work of the Authority is apolitical.
- 55 Improvements to performance management at the Authority have contributed to improvements in the Authority's approach to planning enforcement and in the speed of making decisions on planning applications. Members have had a strong influence on this approach, adopting challenging targets, designed to drive improvement.
- 56 The Authority's planning service, along with other Authority services, carries out staff performance appraisals every quarter. This system has been in place for a number of years and allows managers to discuss progress on performance with individual staff. This approach to performance management is supported by weekly meetings with the Director of Planning and monthly budget reports.
- 57 Although performance information is regularly monitored by staff and reported to members, the Authority could do more to understand how the performance of its planning service could be improved by comparing with, and learning from, others. This aspect, together with more information on comparison of costs, will be discussed in more detail in our forthcoming report on the Authority's planning service.
- 58 Sustainable Development is promoted by the Authority in a number of ways. As with all National Park Authorities in Wales, the Authority has a statutory duty to foster the social and economic well-being of local communities. The Authority's Local Development Plan included the required assessment of environmental capacity and, in 2013-14, 31 affordable houses were built within the Park, significantly more than in either of the other two national parks in Wales.

59 The Sustainable Development Fund provided by the Welsh Government is used by the Authority to contribute towards the cost of local projects that can improve the quality of life and social resilience of local communities. In 2013-14, the Sustainable Development Fund has supported the implementation of 33 projects and created or protected 32 jobs. Examples of projects supported by the Authority include community hydro-electric schemes, the Llangattock Community Woodland Group, Myddfai Community Hall and Visitor Centre and the Myddfai Trading Company. Every £1 in grant levers in a further £3 from other sources and every £1 from public sources levered £5.42 from the private sector.

# 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 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 the extent to which 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 – Audit of Brecon Beacons National Park Authority’s 2014-15 Improvement Plan

## Certificate

I certify that I have audited Brecon Beacons National Park Authority’s (the Authority) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

## Respective responsibilities of the Authority and the Auditor General

Under the Measure, the Authority is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Authority to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Authority is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Authority’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Authority can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Authority's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas  
**Auditor General for Wales**

CC: Carl Sargeant, Minister for Natural Resources  
Leighton Andrews, Minister for Public Services  
Alan Morris, Manager  
John Roberts, Performance Audit Lead

# Appendix 3 – Audit of Brecon Beacons National Park Authority’s assessment of 2013-14 performance

## Certificate

I certify that I have audited Brecon Beacons National Park Authority’s (the Authority) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

## Respective responsibilities of the Authority and the Auditor General

Under the Measure, the Authority is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Authority to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Authority’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Authority has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Authority's assessment of performance, therefore, comprised a review of the Authority's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas  
**Auditor General For Wales**

CC: Carl Sargeant, Minister for Natural Resources  
Leighton Andrews, Minister for Public Services  
Alan Morris, Manager  
John Roberts, Performance Audit Lead

# Appendix 4 – Annual Audit Letter

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

Dear John

## **Annual Audit Letter – Brecon Beacons National Park Authority 2013-14**

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 use of resources**

It is the Park 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 Park 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.

Local 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. On 30 September 2014, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Park 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 of the Park Authority in my Audit of Financial Statements report on 26 September 2014. The main issues arising were as follows:



- There was one 'uncorrected misstatement' which was 'non-material' in relation to the classification (between capital and revenue expenditure) of a grant payment to a university for £12,700.
- We received information in a timely and helpful manner and were not restricted in our work. The quality of working papers provided and finance officer co-operation was of a high standard.

**I am satisfied that the Park Authority has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources**

My consideration of the Park 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. 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.

The Park Authority continues to face financial challenges due to the anticipated falls in its income from the Welsh Government's national park grant. The position is being monitored and I am satisfied with the action that the Park Authority has taken, and continues to take to address the pressures it faces.

**I issued a certificate confirming that the audit of the accounts had been completed on 30 September 2014**

The financial audit fee for 2013-14 will be in line with the agreed fee set out in the Annual Audit Outline. Further information is being prepared on the audit fee, as previously discussed, which will be shared with the Authority at the meeting on 23 January 2015.

Yours sincerely



Richard Harries  
Engagement Lead  
**For and on behalf of the Appointed Auditor**

## Appendix 5 – National report recommendations 2014-15

Date of report	Title of review	Recommendation
May 2014	Good Scrutiny? Good Question!	R1 Clarify the role of executive members and senior officers in contributing to scrutiny.
		R2 Ensure that scrutiny members, and specifically scrutiny chairs, receive training and support to fully equip them with the skills required to undertake effective scrutiny.
		R3 Further develop scrutiny forward work programming to: <ul style="list-style-type: none"> <li>• provide a clear rationale for topic selection;</li> <li>• be more outcome focused;</li> <li>• ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and</li> <li>• align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements.</li> </ul>
		R4 Ensure that scrutiny draws effectively on the work of audit, inspection and regulation and that its activities are complementary with the work of external review bodies.
		R5 Ensure that the impact of scrutiny is properly evaluated and acted upon to improve the function's effectiveness; including following up on proposed actions and examining outcomes.
		R6 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Scrutiny Officers' Network.
		R7 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.
		R8 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.

Date of report	Title of review	Recommendation
July 2014	Young people not in education, employment or training - Findings from a review of councils in Wales	<p>R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.</p> <p>R2 Clarify their strategic approach to reducing the proportion of 19 to 24 year olds who are NEET as well as their approach for 16 to 18 year olds.</p> <p>R3 Focus on young people with significant or multiple barriers to engaging with education, employment or training rather than those who are more likely to re-engage without significant additional support.</p> <p>R4 Develop their objectives and targets for reducing the number of young people NEET so that they can be held to account and their work aligns with the Welsh Government's targets and objectives.</p> <p>R5 Ensure that elected members and partners fully understand that councils have a clear responsibility for leading and co-ordinating youth services for 16 to 24 year olds.</p> <p>R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area that are intended to reduce the proportion of young people who are NEET.</p>

Date of report	Title of review	Recommendation
October 2014	<p><b>Delivering with less – the impact on environmental health services and citizens</b></p>	<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"> <li>• align the work of environmental health with national strategic priorities;</li> <li>• identify the wider contribution of environmental health in delivering strategic priorities of the Welsh Government; and</li> <li>• identify the benefit and impact of environmental health services on protecting citizens.</li> </ul> <p>R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.</p> <p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> <li>• consulting with residents on planned changes in services and using the findings to shape decisions;</li> <li>• outlining which services are to be cut and how these cuts will impact on residents; and</li> <li>• setting out plans for increasing charges or changing standards of service.</li> </ul> <p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> <li>• Identifying the statutory and non-statutory duties of council environmental health services.</li> <li>• Agreeing environmental health priorities for the future and the role of councils in delivering these.</li> <li>• Determining an ‘acceptable standard of performance’ for environmental health services (upper and lower) and publicise these to citizens.</li> <li>• Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> <li>– collaborating and/or integrating with others to reduce cost and/or improve quality;</li> <li>– outsourcing where services can be delivered more cost effectively to agreed standards;</li> <li>– introducing and/or increasing charges and focusing on income-generation activity;</li> <li>– using grants strategically to maximise impact and return; and</li> <li>– reducing activities to focus on core statutory and strategic priorities.</li> </ul> </li> </ul> <p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> <li>• identifying, collecting and analysing financial, performance and demand/need data on environmental health services;</li> <li>• analysing collected data to inform and understand the relationship between ‘cost: benefit: impact’ and use this intelligence to underpin decisions on the future of council environmental health services; and</li> <li>• agree how digital information can be used to plan and develop environmental health services in the future.</li> </ul>

Date of report	Title of review	Recommendation
January 2015	<p><b>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</b></p>	<p>R1 Improve strategic planning and better co-ordinate activity to tackle the impact of welfare reform on social-housing tenants by ensuring comprehensive action plans are in place that cover the work of all relevant council departments, housing associations and the work of external stakeholders.</p> <p>R2 Improve governance and accountability for welfare reform by:</p> <ul style="list-style-type: none"> <li>• appointing member and officer leads to take responsibility for strategic leadership on welfare reform and be accountable for performance; and</li> <li>• ensuring members receive adequate training and regular briefings on welfare reform to be able to challenge and scrutinise performance and decisions.</li> </ul> <p>R3 Ensure effective management of performance on welfare reform by:</p> <ul style="list-style-type: none"> <li>• setting appropriate measures to enable members, officers and the public to judge progress in delivering actions;</li> <li>• ensuring performance information covers the work of all relevant agencies and especially housing associations; and</li> <li>• establishing measures to judge the wider impact of welfare reform.</li> </ul> <p>R4 Strengthen how welfare-reform risks are managed by creating a single corporate-level approach that co ordinates activity across the Council and the work of others to provide adequate assurance that all the necessary and appropriate actions to mitigate risk are taking place.</p> <p>R5 Improve engagement with tenants affected by the removal of the spare-room subsidy through:</p> <ul style="list-style-type: none"> <li>• the provision of regular advice and information on the options open to them to address the financial impact of the change in their circumstances;</li> <li>• the promotion of the ‘Your benefits are changing’ helpline; and</li> <li>• the provision of support to tenants specifically affected by the removal of the spare-room subsidy to participate in regional/national employment schemes.</li> </ul> <p>R6 Establish a set of minimum service standards on lettings and transfers to ensure that tenants affected by the removal of the spare-room subsidy receive a minimum standard of service from their landlord.</p>

Date of report	Title of review	Recommendation
January 2015	<p><b>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</b></p>	<p>R7 Improve management, access to and use of Discretionary Housing Payments by:</p> <ul style="list-style-type: none"> <li>• establishing a clear policy or guide that is available in hard copy and online to the public that sets out the Council's policy and arrangements for administering Discretionary Housing Payments;</li> <li>• clearly defining eligible and non-eligible housing costs covered by Discretionary Housing Payments in application forms, policy documentation and applicant guidance leaflets;</li> <li>• clearly setting out the maximum/minimum length of time that such payments will be provided;</li> <li>• setting and publishing the timescale for the Council making a decision on Discretionary Housing Payments applications;</li> <li>• including information within public literature on the Council's policy for right to review or appeal of a decision and the timescales and process to be followed in deciding on these; and</li> <li>• clearly define the priority groups for Discretionary Housing Payments in public literature to ensure that those seeking assistance, and those agencies supporting them, can assess whether such payments are a viable option to address their housing and financial needs.</li> </ul>



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