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By E-mail

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Dear Catherine and Aled

## Progress in delivering Statutory Recommendations – Audit Wales Update April 2023

As you will recall, when publishing his report in March 2022, the Auditor General notified the Brecon Beacons National Park Authority (the ‘Authority’) that he planned to review progress in delivering his Statutory Recommendations in early 2023.

In the last 12 months we have been monitoring delivery of the statutory recommendations, meeting regularly with the Chief Executive and relevant officers, but also attending various Authority meetings to take stock of developments. This letter provides our conclusions from this work and outlines our planned next steps.

We have specifically looked at three core issues:

- progress in delivering the Audit Wales Action Plan;
- work to strengthen governance and decision making; and
- organisational capacity and resilience to deliver improvement.

We have concluded that the Authority is in a better place than a year ago and there are clear green shoots of recovery. However, there remain some significant challenges going forward which makes the prospects for improvement in the short-term uncertain.

## Progress in delivering the Audit Wales Action Plan

**Overall, we conclude that the Authority is making some progress, but further work is required to deliver key areas of the Action Plan.**

The most recent full update of the Action Plan presented to Members in November 2022 identified that of the 14 areas for improvement, four have been completed and actioned in full and ten are in various stages of progress. The Action Plan itself could be strengthened to enable better scrutiny by the inclusion of clearer target dates and a 'RAG' rating system to highlight whether actions are being progressed, are on track or need remedial action. At present it is difficult for Members to determine how well or badly the Authority is performing in delivering the Action Plan.

The covering report also acknowledges that capacity and resilience within the Authority remain major risks and continue to inhibit its ability to make prompt progress in addressing our past recommendations. The recent risk mapping exercise undertaken by members and senior officers concluded that significant short-to-medium term capacity, resilience, leadership, and organisation culture challenges are important areas that need to be addressed by the Authority. Consequently, because the Authority does not have the capacity to deliver all the required actions in the Action Plan it has agreed to focus on four priority areas:

- capacity and resilience;
- member training and development;
- review of Scheme of Delegation; and
- reviewing key policies and documents.

While we recognise that this is a reasonable response to ongoing resource challenges, the Authority must ensure it does not continue to invest its limited resources in revisiting and agreeing areas for improvement at the expense of delivering actual improvements. Indeed, we found that there is a growing strength of feeling and sense of frustration from some we interviewed that positive change and improvement need to happen, not least for those who receive services from the Authority and live in the National Park area.

## **Work underway and completed to strengthen governance and decision making**

**Overall, we conclude that the Authority has done much to strengthen its governance and decision-making processes in the last 12 months and arrangements are now far more effective. Notwithstanding, there remain several areas for improvement and the Authority must continue to work hard to embed a positive governance culture.**

In the last 12 months, the most noticeable change has been the conduct of Members and their relationship with officers. The behaviour difficulties that beset the Authority in recent years are firmly in the past. Member and officer relationships continue to improve and are changing for the good. Members are no longer stepping into operational management and policy implementation. Going forward it is important that this clear delineation of responsibilities and positive working relationships continues to be actively nurtured.

In particular, the Chair and Vice Chair of the Authority are setting a positive leadership tone and are working hard with the Member group to create a constructive and effective governance culture. The planned introduction of a mentoring scheme should help to reinforce this changing culture and, if implemented effectively, will strengthen relationships between Members, and with officers.

Senior officers and Members are also very clear about the importance of maintaining professional boundaries in their working relationship and especially the conduct of meetings. All are conscious of the standing orders and are clear on being seen to do, and doing, the right thing in the right way. Many Members did, however, express concern that the continuation of home working and the limited number of in-person meetings is not helping to create a positive work environment.

Overall, the standard of chairing and management of meetings is good and improving and many commented positively on the growing effectiveness of several key Committees. Some Members, however, expressed concern with the timeliness of reporting and the finalisation of agendas. The planned introduction of a Chairs Co-ordination Committee will allow for better management of agendas and will help reduce duplication and overlap.

Unsurprisingly, several Members noted that they are on a steep learning curve. This is partly a reflection of the significant recent turnover in the Member group. For example, 10 of the 12 local authority members are new appointments to the National Park Authority, only starting in May 2022, and four of the six Welsh Government appointees started in January 2023. Consequently, not all Members are yet to

contribute at meetings and play an active role in ensuring governance systems are working effectively. Importantly, the four new Welsh Government members are seen as having a diverse range of skills and expertise that will help foster positive change and bring fresh thinking to the Authority.

All those we interviewed acknowledged that officers are working hard but are often over stretched and do not have sufficient time to dedicate to all the things that are needed by Members. This is reflected in the less positive views expressed on the effectiveness of ongoing officer support and training and there is more work required to ensure all Members have the right knowledge and skills to be able to deliver their role effectively.

However, several Members also told us that that they do not feel confident yet to contribute at meetings and are not actively engaged in scrutinising performance, challenging decisions, and holding people to account. Several expressed reticence in challenging officers for fear of being accused of ‘bullying’.

Members recognise that they need to step up and hold officers to account, but they are very conscious of not repeating, or being seen to repeat, past behaviours. The Authority needs to ensure that this is addressed. Members play a key role in good governance, and they must be encouraged and supported to discharge their responsibilities, but in the right way.

## **Organisational capacity and resilience to deliver improvement**

**Overall, we conclude that the Authority has some significant capacity and resilience issues which make improvement in the short term uncertain.**

Universally, Members and senior officers are complimentary about the Chief Executive who has been instrumental in driving positive change. In addition, the two new Directors are considered to be strong appointments who will bring much needed leadership and drive to the work of the National Park.

Notwithstanding, there has been a significant turnover in key personnel, which is hindering the Authority’s ability to improve in key areas. For instance, in the last 12 to 18 months there has been a new democratic services team, a new monitoring officer and three Heads of Finance/Section 151 officers. Several staff also noted that they have been required to take on additional duties with no new resources which is stretching capacity.

Consequently, the small size of corporate services teams leaves the Authority vulnerable in key areas. For example, interviewees raised concerns with insufficient

capacity in legal services, data protection and compliance with Welsh language requirements at this time. This is often resulting in key actions and issues not being sufficiently progressed or having to be picked up on ad hoc basis, most usually by the Chief Executive, because there is simply no one else. The loss of experienced staff and gaps in key areas are undoubtedly impacting on performance and have weakened continuity of practice in some areas.

The decision of the Authority to invest its reserves in bolstering resilience and capacity is clearly needed but this also increases the financial pressures it faces. The continued use of general reserves can only be a short-term fix and the Authority needs to ensure it reduces its reliance on this funding if it is to remain financially resilient. We see this a significant risk for the Authority. This is compounded by the recent resignation of the S.151 officer. While Pembrokeshire Coast National Park Authority are providing S.151 coverage in the short term, the Authority needs to ensure it addresses its ongoing difficulties in recruiting and retaining a suitably qualified S.151 officer to effectively discharge its statutory responsibilities.

Overall, Members and Officers noted that morale, while slowly improving, is mixed. This not surprising given the reference in several interviews to people having to overcome the 'trauma' of the recent past. Consequently, there is still lots of work to do to rebuild trust and relationships. Critically, the Senior Leadership Team is clear about the importance of ensuring the wellbeing of staff and is taking steps to create a positive and supportive working environment, which is a key priority for the next 12 months.

## **Next steps**

In conclusion, we are of the opinion that the Authority is making progress in addressing the Auditor General's Statutory Recommendations but needs to address some urgent risks in the next year.

At this time, we do not intend to make any further recommendations but will continue to monitor progress in 2023-24. Within the next 12 months, and by April 2024, we would expect to see substantial progress being made in addressing the risks highlighted in this letter. If progress is not being made, then we will consider what further action is required to support improvement.

We have also copied this letter to Welsh Ministers to make them aware of our findings. We will also discuss our conclusions with Welsh Government officials to ensure they consider these findings in agreeing any further support and assistance to the Authority.

Finally, I would also like to take this opportunity to notify you that I will be leaving Audit Wales in August 2023. Rest assured we will ensure there is a smooth transition and will update you on the new management arrangements shortly. I would also like to take this opportunity to thank both you and colleagues at the Authority for the positive and constructive engagement in recent years.

Yours sincerely

**Nick Selwyn**

**Audit Manager – Studies, National Parks and Fire and Rescue Authorities**