Review of Resilience – Pembrokeshire Coast National Park Authority

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The Authority has proved to be an adaptable and resilient organisation in the face of immediate disruptive threats but further work is needed to ensure this continues over the longer term.

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What we reviewed and why

1   This review provides a commentary on how resilient and sustainable the Authority is and also considers the impact of COVID-19 and the risks facing the Authority, like all public bodies, when emerging from this crisis in any recovery phase. We acknowledge that during the course of the review, the Authority, along with most public bodies, was continuing to operate in a response phase, and this has been considered when looking at the implementation and effectiveness of any recovery plans.

2   The British Standards Institute (BSI)[1] defines organisational resilience as, 'the ability [of an organisation] to anticipate, prepare for, respond and adapt to events – both sudden shocks and gradual change'. In simple terms, that means an organisation must be adaptable, competitive, agile and robust in order to survive and flourish. A resilient organisation is one that can anticipate and respond to threats and opportunities, arising from sudden or gradual changes in its internal and external environments.

3   This review therefore provides assurance by reviewing the Authority's financial and workforce capacity to establish a baseline to monitor future resilience. Our work is intended to provide assurance to the Authority on the risks it faces and how these are being mitigated. The review will also be of relevance to the Welsh Government on the challenges facing the sector.

What we found

4   Our review sought to answer the question: Is the National Park Authority effectively managing its resources to secure its long-term resilience?

5   Overall, we concluded that: **The Authority has proved to be an adaptable and resilient organisation in the face of immediate disruptive threats but further work is needed to ensure this continues over the longer term**.

6   We reached this conclusion because:

- the Authority has effective financial management systems but needs to strengthen aspects of financial resilience in the longer term;

- the Authority adapted its governance processes in response to COVID-19, but needs to take the opportunity to modernise and refresh how decision making works in the future;

- the Authority has supported the workforce well, but a lack of capacity remains an ongoing risk to resilience;

[1] British Standards BSI, November 2014

- the Authority made sound decisions on how to use its assets in the initial response to COVID-19 but needs to consider the impact of the pandemic on their long-term usage; and
- the Authority's business continuity plans did not consistently support corporate resilience nor help create sustainable services.

Proposals for improvement

Exhibit 1: proposals for improvement

The table below sets out the proposals for improvement that we have identified following this review.

Proposals for improvement
Organisational resilience **P1** **To ensure the Authority has effective Business Continuity arrangements it should:** - review the impact of its Business Continuity Plans during the response to COVID-19 with staff to ensure they are up to date and have the right actions and measures to help counter likely threats in responding to future emergencies; - ensure staff are aware of updated Business Continuity arrangements and understand the procedure for their use; and - members should provide the Authority with assurance that ICT Business Continuity arrangements are sufficient to enable officers and Members to deliver their responsibilities effectively and efficiently.
Workforce resilience **P2** **To improve workforce resilience the Authority should:** - consider the impact of the COVID-19 response and the switch to full remote working on staff wellbeing and identify how it can best support staff; and - ensure Health and Safety policies and procedures are updated to take account of new working arrangements.

Proposals for improvement

Governance and decision making

P3 **To streamline and improve decision making the Authority should review the switch to online meetings and delegated decision making and identify opportunities to learn from its response to the pandemic and strengthen governance arrangements.**

Detailed report

The Authority has effective financial management systems but needs to improve aspects of financial resilience in the longer term

7   In reaching this conclusion, we found that the Authority is in a reasonably comfortable financial position:

- the Authority has an annual budget of circa £5.5 million per year. Funding is made up of a mix of Welsh Government National Park Grant (NPG), income from services, fundraising and the national park levy.

- in 2020-21, the Welsh Government provided £2.954 million and approved a levy charge of just under £1 million (£0.954 million). In 2021-22, the Authority will receive a 10% increase in Welsh Government funding with the NPG rising to £3.49 million and the levy to just over £1 million (£1.084 million). This is the first time Welsh Government funding has increased in a decade.

- the Authority also receives income from traded activity, tourism and the sale of services as well as successfully securing grants under different funding programmes.

- the unprecedented COVID-19 crisis placed the Authority in a difficult position in 2020-21 and from April to June 2020, the National Park estimated it would lose £0.792 million in income.

- the Authority used a mix of reserves, furlough monies and additional grant funding from the Welsh Government to address this budget shortfall.

- as of 30 September 2020, the Authority's net revenue actual and committed expenditure against budget was £22,000 (0.9%) over the profiled budget.

- the level of reserves as a percentage of revenue expenditure marginally fell from 82%, £5,614,000 in 2018-19 to 73%, £5,396,000 in 2019-20. As can be seen in **Exhibit 1**, the Authority holds reserves at levels comparable with other National Park Authorities in Wales and has more monies in reserves than all English National Park Authorities. Given reserves – earmarked, general and capital – reduced by almost £1 million in 2020-21, we believe the Authority should review its reserves strategy to ensure financial management policies are fully aligned[2].

[2] Pembrokeshire Coast National Park Authority, **Draft Budget Planning Report**, 3 February 2021.

Exhibit 1 – Useable reserves of National Park Authorities in England and Wales at the end of the 2019-20 financial year
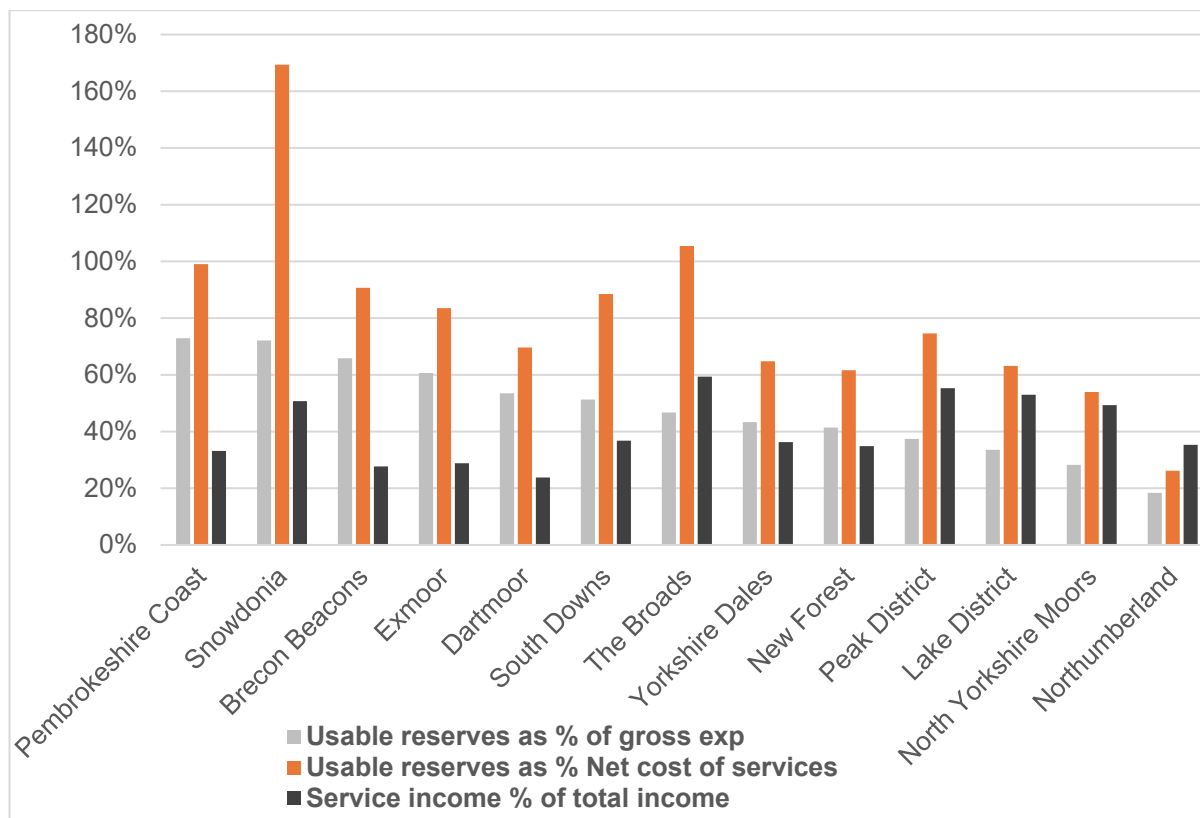
- dedicated funding officers are helping improve the alignment between team project ambitions and corporate and wellbeing objectives. Funding officers help teams with project bids, supporting them through a comprehensive process which helps ensure that any chosen projects have a stronger alignment with corporate priorities and a higher strategic value.

- despite the Authority balancing its overall revenue budget for 2019-20, there were significant variations within individual departments, including an overspend of £66,000 on Promoting and Understanding work, with the highest underspend recorded for Rangers, Estates and Volunteers at £40,000 under budget. This is partly the result of unforeseen grants being received from the Welsh Government within the financial year. The Authority could benefit from having a suite of projects aligned with its plans that can be put in place at short notice to make the best use of opportunistic funding programmes that arise within year.

- the Authority's financial systems coped well during the pandemic, but the shift to home working exposed some weaknesses in ICT resilience. Most systems were adapted for remote working, but relied on a small number of key staff to manually intervene and keep systems afloat. There is further work to do with modernising and streamlining ICT systems, to ensure they

are less labour intensive and to strengthen resilience against future threats and to adapt to remote working. The Authority has already made some steps towards this, hosting more services in the cloud and upgrading systems. Despite the challenges arising from operating from a remote working environment, the Authority's 2020-21 accounts were certified on time.

- despite making savings from visitor centre running costs and reduced travel costs, the Authority experienced a significant loss of income during 2020. The Authority experienced its main loss of income from car parks, information and heritage centres and estimated that between its busiest months between April and September 2020, it expected to make a net loss in income of £608,000. This compares with an expected £162,000 loss at Brecon Beacons National Park Authority and £1.06 million at Snowdonia National Park Authority, although the anticipated impact may not be as severe when all work to finalise these figures has been concluded. These pressures and other external economic uncertainties increase the threat to the Authority's financial resilience for the foreseeable future.

The Authority adapted its governance processes in response to COVID-19, but opportunities exist to modernise and refresh how decision making works in the future

8   Creating an effective organisation and the right culture is also only possible with strong leadership, accountability and an effective governance structure. A resilient public body is also one that embraces open dialogue and uses its scrutiny function to focus on challenging officers to help achieve the organisation's desired outcome.

9   In reaching this conclusion we found that:

- as a special purpose local government body, the Authority can be disproportionately impacted by the requirements of legislation because it is subjected to much of the same requirements that apply to principal councils. The Authority has a well-established governance framework to ensure they meet these requirements, focusing on ensuring structures and systems are streamlined to reflect the needs of the Authority. There are some frustrations caused by differing statutory requirements and the Authority recognises there is more to be done to align legislative requirements with their longer-term vision.

- the Authority has assured itself that it was able to maintain governance and accountability mechanisms when adapting to new ways of working (mainly remote meetings). In the first few weeks of COVID-19 restrictions, there was uncertainty around how Committees would operate, including ensuring robust scrutiny arrangements could continue. The Authority quickly established new governance procedures and the operations of most Authority functions became very much business as usual.

- members receive good quality information for decision making and this was the case throughout the pandemic, with additional training put in place for Members, to give them the skills needed to conduct remote meetings. Overall, the switch to remote working did not unduly impact on decision making and Members were able to fully contribute and support officers in responding to the pandemic.

- staff and Members did acknowledge the need to be more agile at an Authority level, although this was partly down to the cautious approach taken by the Authority in the early stages of the pandemic, the drip feeding of government guidance and the time taken to put in place the technology and training in the initial stages of the pandemic.

- although most staff feel well connected and well informed with the adapted governance arrangements and the good work of the Authority in getting important messages out to the public, some staff responding to our survey felt that the balance between internal and external communication is an ongoing challenge. Despite this, the outward focus on public messaging proved to be effective, and a strategic decision to close the entire coast path sent a strong message externally that the National Park was 'closed for business', allowing the Authority to take stock of the situation and better manage its contribution to the pandemic.

The Authority has supported the workforce well, but a lack of capacity remains an ongoing risk to resilience

10   At the heart of a resilient organisation is a resilient workforce made up of effective and highly motivated staff who can adapt to changing circumstances. Characteristics of a resilient workforce include passionate, energetic staff with high levels of morale and low staff turnover. Access to effective training opportunities, career progression and fair pay can also help create a more enthused and resilient workforce:

- staff and Members we surveyed were highly supportive of the way the Authority responded to COVID-19 and how the Authority supported them and looked after their wellbeing. Most felt safe whilst carrying out their work, and felt they had good access to personal protective equipment. Most also felt they were able to continue to work effectively in their teams and felt they had a good work/life balance.

Exhibit 2 – Key survey findings from Audit Wales survey of Authority staff and Members, September to October 2020

97% of staff who responded said the Authority's response to COVID-19 was handled well or very well

88% said they felt safe carrying out their role

44% of staff were not aware of the Authority's Business Continuity Plan

57% of staff did not know whether the plan had been implemented in response to COVID-19

Top five selections for what worked well when responding to COVID-19

1   Having good support to enable staff to work remotely (79%)

2   Informing the public on the closure of the National Park (79%)

3   Providing the right equipment for staff to carry out their work effectively whilst working from home (76%)

4   Working with other local public bodies to address the impact of COVID-19 in the Park (68%)

5   Being able to access PPE and specialist equipment as required (62%)

Source: Audit Wales Survey, December 2020.

- capacity at the Authority has improved since our last review but is still lacking in key areas. The organisation was able to adapt its approach over the last year, although there remains a reliance on a small number of individuals with specific skill sets, which poses some risk to sustainability over the longer term.

- staff sickness has increased each year since 2017-18 to 8.59 days per FTE staff in 2019-20 and the Authority continues to experience difficulties in ensuring there is cover in place for sickness absence. Because of this limited capacity, which was accentuated by the pandemic, the Authority engaged consultants to support planning services to help clear planning application backlogs.

- some areas of Authority work were more affected than others, such as Development Management, owing to the constraints around home working, particularly the legislative requirements which delayed the adoption of a new Local Development Plan. The department relies heavily on physical offices and equipment within them to determine planning applications. Statutory

planning obligations have been impacted significantly with 47% of applications determined on time in Quarter 1 of 2020-21, improving to 58% to the end of Quarter 3 2020). Planning services are reliant on office space to function. Staff we spoke with demonstrated the importance of accessing the office to carry out basic functions. Despite this, the new Local Development Plan was adopted.

- corporate learning has not been formalised and some staff find it difficult to provide feedback. The Authority has an array of Human Resources policies, and acknowledges that some are outdated, and is planning to rationalise and update these policies. The appointment of a new HR manager provides the Authority with a dedicated resource to oversee this work. Some staff indicated they did not have many Learning and Development opportunities during lockdown, although the Authority did encourage all staff to complete courses on the Welsh language and Safeguarding.

- the Authority has involved staff in the development of their Corporate Plan, and made a decision to delay the publication of the plan, which was due to be adopted at the start of the pandemic. The plan was separated into two phases – the first focussing on short and medium-term priorities with a key emphasis on responding and recovering from the pandemic, staff wellbeing and safety and ensuring governance and finances remained effective. Links between the Corporate plan and the Management plan have improved and there are plans to further align the two with team action plans.

- 2020 has been a challenging year for all staff, and there is an increased risk of fatigue especially amongst key staff with critical roles during the Authority's response phase. With a lack of capacity in some areas, the Authority was reliant on a small number of staff to adapt to the requirements of home working, putting increased pressure on them. There was some disruption to the cycle of staff Health and Safety Group meetings during 2020, but overall, staff told us they felt well supported and knew where to go for help. Internal Audit has identified several areas in need of improvement relating to staff wellbeing, mainly around missing records and out-of-date policies relating to health and wellbeing and stress management.

- the Authority has challenges attracting and retaining younger talent and has an ageing workforce. In 2019-20, the Authority saw a slight increase (2%) in the applications from non-white people. The Equality plan demonstrates that the Authority is committed to diversifying its workforce. The Authority is engaging with other National Parks to promote job opportunities for underrepresented groups and plans a full review of its Human Resources policies, to ensure they promote an inclusive workplace.

- COVID-19 impacted on community engagement activities substantially. Despite this, the Authority demonstrated strong communication on public-facing assets. Engagement work was adapted to take place online, for example, virtual training for volunteers, virtual learning for schools and online art exhibitions. The Authority will need to consider how best to deliver its

important engagement work with communities and tourists as it moves into the recovery phase and the likelihood of different models of interaction and involvement as a result of the pandemic.

The Authority made sound decisions on how to use its assets in the initial response to COVID-19, but needs to consider the impact of the pandemic on their long-term usage

11   Following employees, the largest cost to National Park Authorities is spend on buildings and vehicles. Good asset management is therefore critical to Authorities' ability to demonstrate resilience and value for money. In reaching this conclusion we found that:

- the Authority manages important tourist assets but is not considering any of these for closure in the long term. However, the likely drop in income is one of the biggest risks facing the Authority. Whilst the Authority has been successful at generating additional monies from fundraising and other profitable activities, there are opportunities to develop and strengthen the commercial focus of its work. The Welsh Government's **Valued and Resilient**[3] priorities for Designated Landscapes outlines the expectations on National Parks to increase revenue from commercial activities. With income reducing during the pandemic, the Authority needs to consider the widening of commercial activities to create additional new and sustainable income streams in the future. The Authority's commitment to work with the other National Parks across the UK as part of the National Parks Partnership and the UK National Park Trust will be of particular importance in framing future commercial activity.

- buildings were adapted to open whenever safe to do so, to provide much needed services and to generate income. An incident management centre was set up to deal with the increase in visitor numbers over the summer. Carew Castle and Castell Henllys were able to open with restrictions, assisted by an online ticketing system. This was not possible for the entire tourist season, however, and both Castell Henllys and Carew Castle were closed to tourists in Autumn 2020.

- on the whole, staff transferred from office-based services to home working smoothly. The Lifesize video conference system, 3CX phone system, PDQ Link Client and scanning through Microsoft Lens, all helped office-based staff transition effectively to home working.

- the Authority successfully adapted its existing ArcGIS system, which enabled the Countryside Management team to continue to work and provide

[3] Welsh Government, Valued and Resilient: The Welsh Government's Priorities for Areas of Outstanding Natural Beauty and National Parks, July 2018.

services remotely. Of particular importance was the use of cloud technology enabling easier remote access. This allowed job logging, fault reporting, mobile data entry and job allocation, meaning many workstreams could continue without the need to access offices. It meant strict controls were in place on warden movements, allowing teams to safely continue their critical work along the coastal path network.

Exhibit 3 – Top five selections when asked what the main challenges have been when reopening the National Park

1	Visitor impact (90%)
2	Staff safety (75%)
3	Difference between the Welsh and UK governments' approaches to COVID-19 (65%)
4	Drop in income (56%)
5	Too much demand (53%)

Source: Audit Wales Survey, December 2020

- whilst ICT systems worked with the switch to remote working, this was largely reliant on the initiative and hard work of a small number of essential staff. At the time the Authority switched to remote working, systems were still largely office based, with only a handful of laptops available. The Authority's phone system could not be used from home and the Authority had to adapt and move all staff to an alternative remote telephone system in October 2020.

- workstreams in Corporate and Human Resources slowed down due to ongoing response work around COVID-19 as government regulations were changed. Operationally, the Authority saw an accelerated shift to digitisation for many of its workstreams, but wider work on the digital transformation programme was hindered. Climate change emergency actions have also stalled over recent months and slowed the Authority's commitment to zero-carbon working, due to resources being put into the COVID-19 response, but work has since recommenced. Development of a corporate-wide approach to data-protection compliance also stalled due to COVID-19.

The Authority's business continuity plans do not consistently support corporate resilience and help create sustainable services

12 The main principles of good approaches to business continuity are in identifying critical activities and any threats to them, developing a plan which sets out how the Authority will maintain services, and to train staff and exercise plans, so the Authority can be confident that its arrangements will work when needed. Effective business continuity should be embedded into organisations so that its application becomes second nature to staff. In reaching this conclusion we found that:

- some departmental Business Continuity Plans were out of date and had not been thoroughly tested, which contributed to responses not being agile or fast in some areas. Only 20% of staff we surveyed who were aware of the plans said they had been useful and a third of Members did not know whether the plans had been implemented. The pace of change meant the effectiveness of continuity plans was limited, but work is ongoing to embed plans deeper into the Authority's processes.

- despite the ineffectiveness of some continuity plans, resilience was strengthened by regular engagement with the Local Resilience Forum. The Authority's Corporate plan was also updated and now includes specific shorter-term objectives, with a focus on responding and recovering from COVID-19.

- the Authority was able to adapt Sustainable Development Fund criteria to assist recovery, allowing applicants to demonstrate the value of additional projects that would assist recovery efforts, alongside existing carbon-reduction projects.

Appendix 1

Methodology

13   To inform our overall conclusions we explored the following lines of enquiry:

- Does the Authority have robust and effective financial management systems?

- Does the Authority have effective governance and scrutiny arrangements to ensure effective decision making on financial and workforce matters?

- Is the Authority workforce resilient to respond to periods of significant change both now and in the future?

- Does the Authority manage its assets economically, efficiently and effectively to ensure they remain sustainable in the longer term?

- Does the Authority have effective business continuity plans in place that support corporate resilience and help create sustainable services?

14   We undertook the review during the autumn of 2020. Our methods included:

- consolidating our cumulative audit knowledge and experience, including intelligence gathered as part of the COVID-19 Learning Project;

- reviewing data and key documents;

- interviewing 12 officers and two Members;

- inviting all officers and Members share their views through an online survey (ten Members and 82 officers responded);

- keeping in regular contact with the Land, Nature and Forestry Division in the Welsh Government; and

- providing a verbal summary of our emerging findings and conclusions to senior management in December 2020.

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