

## CAIRNGORMS NATIONAL PARK AUTHORITY

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### FOR DISCUSSION

**Title: STRATEGIC RISK MANAGEMENT AND  
MONITORING CORPORATE PERFORMANCE**

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SERVICES**

#### **Purpose**

This paper presents an update on the Authority's performance to date in working towards delivery of strategic objectives established in the 2018 to 2022 Corporate Plan.

The paper focuses on delivery against the Key Performance Indicators adopted as measures of performance in delivery of our Corporate Plan, while highlighting by exception any significant constraints, risks or shortcomings on planned delivery.

The paper also presents the latest version of the Strategic Risk Register, following ongoing review and mitigation action by the Management Team and review by the Audit and Risk Committee.

Information is presented on delivery against the Corporate Plan only in this paper. Updates on delivery of the National Park Partnership Plan for 2017 to 2022 will be presented at the September board meeting.

#### **Recommendations**

**The Board is asked to:**

- a) Review the update on corporate performance and strategic risk management set out in this paper.**
- b) Highlight any achievements or exceptions which, from a strategic leadership perspective, Board members believe are of particular significance to the delivery of the Authority's strategic objectives.**
- c) Review and comment on the risk register for completeness in coverage of current strategic risks and adequacy of mitigation actions.**

## STRATEGIC RISK MANAGEMENT AND MONITORING CORPORATE PERFORMANCE – FOR DISCUSSION

### Strategic Context

1. The Authority's Corporate Plan, <http://cairngorms.co.uk/wp-content/uploads/2018/07/CNPACorporatePlan2018-2022.pdf> describes how we will contribute to the delivery of the Cairngorms National Park Partnership Plan (NPPP).
2. The Corporate Plan also sets out how the CNPA will support the Government's central purpose: to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increased wellbeing and sustainable and inclusive economic growth and delivery of the Programme for Government. To this end, the plan highlights (page 13) that the work of the Authority makes a contribution to 6 of the Scottish Government's 11 National Outcomes agreed within the National Performance Framework.
3. A corporate performance framework is required to measure the extent to which we succeed in delivering the priorities agreed in the corporate plan and make the desired contributions to wider national government strategies. The Board agreed the Authority's corporate performance framework as an integral part of the Corporate Plan. The information presented with this paper follows those agreed Key Performance Indicators (KPIs).
4. This Corporate Plan delivery update is presented after fourteen months of impacts from the COVID19 pandemic. The updates feature a range of commentaries on the impacts which restrictions on activity imposed by responses to the pandemic have impacted on planned delivery. Management Team have been closely monitoring the capability to continue to deliver planned actions toward achievement of the Authority's agreed strategic objectives. The Annexes presented along with this paper, and in particular Annex 2 which sets out the Key Performance Indicators, presents an increasing number of heightened "amber" rated risks around delivery of strategic outcomes. However, at this point in time, none of the outcomes are highlighted as not being deliverable by the end of the Corporate Plan period, 31 March 2022 due to the impact of COVID 19.

### Strategic Policy Considerations

5. The Authority's Corporate Plan makes reference to our contribution to National Outcomes. In most cases the corporate performance indicators do not present a direct measure of contribution to the specific outcomes. Rather, they are agreed to

represent an appropriate “proxy” indicator, whereby our demonstration of achievement in a specific area of the Authority’s operations is accepted as a reasonable measure of our contribution to wider national or portfolio objectives.

## **Strategic Risk Management**

6. The Board considered and approved the current strategic risk register supporting delivery of the 2018 to 2022 Corporate Plan at its meeting in June 2018. The Board also endorsed the Authority’s Strategic Risk Management Strategy at the same meeting.
7. The strategic risk register has evolved considerably since that time. The register is regularly reviewed and updated by both the Audit and Risk Committee and the Management Team with the Board considering the position on strategic risk management at the same time as it considers these Corporate Performance reports. The Strategic Risk Register is a dynamic document. Risks will be removed when their likelihood of occurrence and / or their potential impact is assessed to have declined sufficiently through management and implementation of mitigation or circumstances change in the Authority’s wider operating environment. The current version of the strategic risk register is set out for consideration as an Annex to this paper.
8. Responding to feedback from internal audit, the risk register now analyses the proposed risk mitigation actions between “preventative” and “remedial” action: respectively establishing management activities designed to prevent the risk from taking happening and seeking to minimise the impact of a risk should it occur. This categorisation is intended to assist the Board and Management Team better assess the adequacy of actions proposed to manage risk.
9. The Board are invited at this point to review the current version of the Strategic Risk Register; identify any potential strategic risks not currently included; comment on the draft assessment of significance of risks identified and adequacy of proposed mitigation.

## **Implications**

10. Both the Corporate Performance Monitoring Framework and Strategic Risk Register have been developed with a view to managing and limiting the staff time resource required to support the administration of these processes, while ensuring that the processes themselves are fit for purpose in managing risk to which the Authority is exposed and measuring our success in achieving agreed corporate priorities. We are aiming to make best use of data already collected by ourselves and our partners and hence tap into existing work rather than create new, often costly, data collection processes. Some indicators have data collected annually or over longer periods.

Therefore not all indicators will change over the period since these monitoring reports were last presented to the Board.

11. Our strategic risk management process and practices build on existing methods already reviewed and approved by Audit & Risk Committee and evaluated by internal and external audit. Our strategic planning and corporate performance monitoring reporting was also subject to internal audit review as part of the 2018/19 internal audit programme and received a “clear” internal audit report. The internal auditors, BDO, gave a “substantial” (highest) rating to both the design and operational effectiveness of these performance monitoring processes.
12. Our risk management processes require staff to reference the agreed strategic risks in developing specific strategies and policies and tailor their plans accordingly, to both ensure these policies and strategies are not impacted by the recognised risks and also help manage these risks.
13. In taking forward actions and projects to help deliver Corporate Plan priorities, Directors and their Heads of Service are expected to ensure that operational plans and / or project plans where required are covered by more specific risk registers and risk management practices.

### **Success Measures**

14. Implementation of an effective Corporate Performance Monitoring System is an essential component of enabling identification of success in delivery of the Board’s agreed Corporate Plan.
  15. Effective risk management processes ensure that risks that may impact on success are identified, managed and / or monitored appropriately to support delivery of Corporate objectives. Risk management processes also assist in evaluating opportunities for action and in determining the Authority’s approaches to most effectively realising those opportunities.
  16. The work in bringing these processes together therefore forms a key aspect of the Authority’s strategic management processes.
  17. The progress shown in the Corporate Performance qualitative and quantitative updates are themselves presenting the success measures in the Authority’s deliver of its approved corporate objectives.
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## Supporting Information:

### ***Update on Corporate Plan Monitoring***

1. A summary of the Authority's Corporate Plan monitoring information is presented in Annex 1. Corporate KPIs complementing the qualitative updates on performance are set out in Annex 2 presented with this paper. A commentary on the current status of these KPIs is also presented. More information on the highlights and issues arising over the course of Corporate Plan delivery to date is presented in the following sections of this paper.

### ***Conservation and Land Management - Highlights***

2. The Capercaillie project has successfully secured a further £2.9 million in funding to deliver findings from the development phase of the project up until July 2023. Project funds are allocated to local communities via devolved allocations of up to £100,000 per community, through commissioning innovate genetics and social science research, land management contracts and directly employing gamekeepers, ecologists and project staff - all delivering capercaillie conservation across the National Park from July 2020 until July 2023.
3. Early indications, based on draft woodland creation proposals on various estates across the CNP, suggests a target of 1000 ha/yr will be easily achieved (possibly twice over) across the next five year period.
4. Scottish Government agreement for a three year capital funding package of £8.45m to deliver approximately 3,500 hectares of peatland restoration is now in place. Capital funding is confirmed while the 15% of resource funding supporting staff and other in year costs remains on an annual funding approval basis.
5. Comprehensive Habitats Impacts Assessments (HIA) implemented for Dwarf Shrub Heath habitats across CNP and Movement towards development of Strategic Land Management Plan (incl. deer) agreed with West Grampian Deer Management Group, with steering group and independent chairman appointed.

### ***Conservation and Land Management – Exception Reporting***

6. Wildlife crime continues to be highlighted as an exception in this round of performance reporting, as incidents continue to occur in the Park. The raptor trackers acquired with funding from NatureScot will be deployed in Summer 2021. Work with Police Scotland and other partners to try to reduce incidents is ongoing. Broader raptor work in the Park is being discussed, including improved monitoring, conservation projects and ways of shifting the 'raptor culture' in parts of the Park.

7. Peatland restoration work, previously flagged as at escalated “amber” risk of delivery, is now also highlighted as at heightened red risk around delivery of agreed targets. The capacity of contractors to undertake work has continued to be a delivery issue, while COVID19 restrictions and budget restrictions has effectively resulted in the loss of the 2020 “weather window” to implement peatland works. The Board are aware through previous discussion that work is underway with economic and skills development partners seeking to highlight and address the capacity restrictions impacting the peatland restoration programme.
8. The Capercaillie number target unlikely to be met and is now flagged as a red rated risk. Full national survey results are due in 2022 but other surveys suggest population has declined seriously from the 1100 birds estimated 2016.

**Visitor Experience - Highlights**

9. 51.8 km of path upgraded by Mountains & People project (ended Jan 2021) and 6.5 km of new path constructed along Speyside Way Extension & Seven Bridges path Ballater. Further improvements to the route at Grantown, Kincaig & Tromie being developed in 2021. Both path creation and path upgrade KPIs sought over the Corporate Plan period are now achieved.
10. Full visitor survey data indicates 27% of visitors from C2, D & E categories which significantly exceeds the target of 20% of visitors from these categories.
11. In addition to continuing work in securing the priority outcomes in this area of the Authority’s Corporate Plan, the organisation has responded to the COVID19 emergency by designing, recruiting, training and implementing a Ranger Service to support visitor management. The ranger service recruited during February 2021 was fully operational during April 2021.
12. While COVID19 restrictions have resulted in pauses in much of the delivery work, objectives remain broadly on track for delivery by the close of the Corporate Plan period. Work has also progressed over the last months with the Cairngorms Trust in supporting the procurement of electric bikes to support climate change and Active Cairngorms objectives.
13. The target level of volunteer rangers trained over the corporate plan period has also been achieved, despite the annual intake of volunteer ranger trainees for 2020 not being possible as a consequence of COVID restrictions.

**Visitor Experience – Exception Reporting**

14. The current interruption to service at Cairngorm Mountain remains a key issue for the Cairngorms visitor infrastructure and tourism economy. We continue to work as

closely as possible with Highlands and Island Enterprise (HIE) and other stakeholders on this matter, and reviewing the wider impacts of this on the Cairngorm and Glenmore Strategy, while recognising that HIE are very much in the lead in planning for the future of Cairngorm Mountain.

15. Current STEAM data also continues to indicate that the tourism impact in the southern and eastern areas of the Cairngorms National Park is declining very slightly from prior year levels rather than increasing toward the target of 25% of the total visitor economy. The position remains an increase from the baseline figure, although trend is downward rather than the targeted increase.
16. John Muir Award completions has been significantly impacted by Covid-19 restrictions with 972 awards being completed during 2020 significantly lower than over 2000 completed during 2019.
17. The Volunteer Ranger service has been impacted during Covid-19 with suspension of activities throughout much of 2020. However Volunteer ranger service has recently restarted with small activities in May 2021.

***Rural Development – Highlights***

18. CNPA is also the highest rated public body (ongoing average) of all those listed in the Cairngorms Business Barometer. CNPA was assessed by businesses at 5.5 out of 10 which is above the average score for all organisations (5.28).
19. 56 affordable homes have been completed since March 2018 with a further 54 in construction.

***Rural Development – Exception Reporting***

20. There are no exceptions to report on Communications at this point

***Communications - Highlights***

21. 2020 saw an 11% increase in overall users of the CNPA website combined with a 19% increase in Social Media followers. This provided an estimated reach of nearly 7.5 million.
22. 5 year visitor survey confirmed Cairngorms National Park as a top destination with visitor satisfaction at an all-time high and 96% of visitors agreeing that they ‘love this place’.
23. Core theme and key messages for each month of the year developed through a communications grid alongside the communication activities: digital communications,

traditional media, stakeholder communications and events and is managed by the Management Team and Organisational Management Group.

***Communications – Exception Reporting***

24. There are no exceptions to report on Communications at this point.

***Corporate Services - Organisational Development***

25. Cairngorms NPA was recognised this year as one of the Top 10 Flexible Organisations in Scotland, giving significant public and sectoral recognition to the work being undertaken through our Organisational Development Strategy in building an effective organisation while establishing a positive work / life balance for our staff.
26. All posts agreed for recruitment were filled since last reporting period.

***Organisational Development – Exception Report***

27. There are no Organisational Development exceptions to report at this time. Members' attention is drawn to the "amber" rated equal pay assessment KPI. The headline assessment methodology we are required to report on continues to show a narrowing of the gap in gender pay levels and demonstrate the positive impact of action taken. This headline KPI does mask considerable progress made over the course of the last three years in this area of work. For example, the gender pay gap for Band D, our largest salary band with 31 staff, now has a gender pay gap of -2.5%; while the gender pay gap for part-time staff is now -5.62%.

***Other Corporate KPIs and Cross-cutting Indicators***

28. Despite the range of COVID impacts and unusual scale of budget amendments approved, draft year-end figures for 2020/21 financial year indicate that finances over the year have been successfully managed with a small under-spend equating to 0.6% of the total income of £7.035 million under management in the year.
29. Financial resources available to the Authority for 2021/22 are significantly ahead of the Corporate Plan projections.
30. Our carbon emissions modelling highlights a significant reduction in emissions over the course of the last year. Of course, the suspension of the great majority of business related travel over the course of the year must be borne in mind at this point. Annual progress prior to 2020/21 on reducing our business related emissions has been positive and we continue to focus on the carbon impacts of our operations as we begin to develop the plans around moving out of our business continuity planning phase into our "new normal" operational mode.



***Strategic Risk Management***

31. The Strategic Risk Register is presented at Annex 3 to this paper. This sets out the most recent appraisal of the Authority's strategic risk management by the Audit and Risk Committee in February 2021 and by Management Team in May 2021.
  
32. The Authority has also developed a separate Business Continuity Risk Management approach and a separate business continuity risk register associated with this approach to guide our actions as we continue to adapt and respond to COVID19 impacts. This approach has been reviewed regularly by the Audit and Risk Committee during 2020/21.

**Vicky Walker, David Cameron,**  
**on behalf of Management Team and Operational Management Group**  
**2<sup>nd</sup> June 2021**  
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