
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DISCUSSION

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

Prepared by: David Cameron, Director of Corporate Services

Purpose

This paper outlines approaches being taken on corporate performance monitoring and risk management to underpin delivery of the Authority's Corporate Plan for 2015/18.

The paper highlights the initial work by the Authority's management on identifying strategic risks which may impact on delivery of the Corporate Plan priorities. The paper presents work to date in identifying key performance indicators which measure progress toward achievement of the Authority's Corporate Plan priorities, and also give some indication of the contribution made by the Authority toward the Scottish Government's national outcomes to which the Corporate Plan aligns. The paper also seeks to bring together our performance reporting on the Authority's Corporate Plan and our leadership of the National Park Partnership Plan.

Through presenting the paper at this point we are seeking Board members' input to the strategic risk and corporate monitoring frameworks before these are finalised.

Recommendations

The Board is invited to discuss the proposed Corporate Plan performance monitoring framework and strategic risk register, and to agree any modifications.

The Board is also asked to note the progress to date in delivery of the Corporate Plan 2015/18 presented in the paper.

Strategic Context

1. The Authority's Corporate Plan, http://cairngorms.co.uk/wp-content/uploads/2015/09/CorporatePlan2015_2018Final1.pdf describes how we will contribute to the delivery of the Cairngorms National Park Partnership Plan (CNPPP). 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 increasing sustainable 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 9 of the Scottish Government's 16 national outcomes agreed within the National Performance Framework.
2. As the "RAFE" portfolio of rural, agriculture and forestry bodies develop, we also anticipate that the RAFE Board will establish a series of outcomes to which all constituent bodies must work. Work to align our Corporate Plan priorities to any RAFE outcomes will be undertaken as required.
3. A corporate performance management 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 and RAFE portfolio strategies.
4. The Corporate Plan document sets out against each of the themes a series of key indicators through which we will seek to measure our achievement of the agreed corporate priorities. These proposed indicators have now been developed to identify the baseline data at commencement of the Corporate Plan period, data sources and frequency of data updates. A summary of the Key Performance Indicators agreed in the Corporate Plan together with this wider information on each is set out at Annex I to this paper.
5. As many of the indicators for Corporate Plan performance are expected to vary on an annual or longer basis, this initial presentation of the monitoring framework aims to illustrate the datasets and their sources, and also highlights the baseline position which will form the measure from which we seek to effect change and improvement through our future actions. We need to test the applicability of these indicators to support measurement of the Corporate Plan, National Outcomes and, in time, any outcomes adopted by the RAFE portfolio of bodies.

National Park Partnership Plan

6. Much of the Authority's work is directed toward leadership and coordination of the National Park Partnership Plan (NPPP). This has a twofold effect on our corporate monitoring framework: many indicators have reliance on partner activity as well as the work of the Authority; and there is inevitably some linkage between our Corporate Plan measures and those monitoring delivery of the NPPP.
7. Recognising this linkage, we have also integrated our reporting on delivery of the NPPP with our proposals for monitoring Corporate Plan delivery. There is some complication in our NPPP and Corporate Plan cycles not being the same. However, we have sought to retain historic delivery information on the NPPP indicators commencing in 2012, which are presented in Annex 2, while adopting appropriate baseline data – typically 2014 figures - on which to base assessment of our achievement of Corporate Plan priorities.

Strategic Policy Considerations

8. The Authority's funding letter from Scottish Government is likely to make reference to the key performance indicators set out in the Corporate Plan as a reference to our contribution to National Outcomes. Beyond 2015/16, there may also be references to our expected contribution to RAFF portfolio outcomes. While in most cases the indicators do not present a direct measure of contribution to the specific outcomes, they must be tested to ensure that they can be 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

9. As the Authority has approved a new Corporate Plan spanning 2015 to 2018, the Strategic Risk register has been redeveloped in light of the current strategic objectives and delivery environment. The revision process to date has been undertaken by the Authority's executive management, through Management Team and Operational Management Group consideration. A draft of strategic risks which have been identified as having a potentially significant likelihood of occurrence and impact on delivery of the Authority's Corporate Plan is presented at Annex 3 to this paper.
10. As the strategic risk register is a relatively new document, the majority of commentaries and risk trend indicators have not been updated at this point. The commentary and risk trends for organisational morale and motivation (A6) and project management and control of major project resource implications (R1 / A9) give

a sense of how the risk register will look when it undergoes regular updates, subject to any comment on format.

11. The Board are invited at this point to review the draft 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. Following discussion by the Board, the oversight of the Strategic Risk register will be undertaken by the Audit Committee and Management Team, and reported back to the Board twice annually as part of regular corporate monitoring reports and Audit Committee annual reports.

Implications

12. 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.
13. Our strategic risk management process and practices build on existing methods already reviewed and approved by Audit Committee and internal and external audit.
14. The strategic risk register is in development and the current version presented here seeks to represent the risks identified and requiring action to successfully realise the Authority's strategic priorities. 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.
15. 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

16. 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. Effective risk management processes ensure that risks that may impact on success are identified, managed and / or monitored appropriately.
17. The work in bringing these processes together therefore forms a key aspect of the Authority's strategic management processes.

Supporting Information: Update on Corporate and National Park Plan Monitoring

Summaries of the Authority's Corporate and National Park Plan monitoring information are presented in Annexes 1 and 2 respectively. More information on the highlights and issues arising in each area over the first half of 2015/16 is presented in this section of the paper.

Conservation

The 12.5% premium on Scottish Forestry Grant scheme in target areas within the National Park is encouraging more landowners to think about how they might expand their native woodland resource and help us meet the Cairngorms Nature target of an increase in 5000ha by 2018. There have been some very significant woodland plans developing across the Park in recent months which are currently being scoped with communities of interest.

The Tomintoul and Glenlivet Landscape Partnership is progressing well and on track for submission of stage 2 bid to the Heritage Lottery Fund in May 2016. Projects within this span natural and cultural heritage and associated visitor, business and skills opportunities.

The East Cairngorms Moorland Partnership has made a good start with a strong sense of cohesion amongst the 6 estates currently involved with CNPA. The estates are willing to take forward a programme of work including habitat and species enhancement, with an application to the SRDP environmental co-operation fund planned to resource this work. The Cairngorms Nature Strategy Group is also now well established, driving and co-ordinating conservation work by partners across the Park. The Cairngorms Nature Festival has gone from strength to strength. Support for Cairngorms Nature was evident through the response to the young presenter competition. The groundwork started by the Cairngorms Wildcat Project has been rolled out in the National Wildcat Action Plan to 6 priority areas, three of which are in the National Park. The Capercaillie Framework project

team has been established and is making good progress in delivery, including development of a significant funding bid to the Heritage Lottery Fund to be submitted next year.

Major projects including the A9 duelling and An Camus Mor have been a major focus of casework for both CNPA staff and across the agencies.

Finally the Peatland Action Programme in the Cairngorms has restored nearly 800ha of eroded peat so far and has just received the prestigious Nature of Scotland Award for innovation. Three more peatland restoration projects have been delivered at Glenshee, Balmoral and Candacraig this year.

Conservation – Exception Reporting

There are no exception reports to raise regarding the conservation priorities within the Corporate Plan at this time, other than the pressure on staff resources from major project initiatives highlighted as an escalating risk in the risk register.

Visitor Experience

The Speyside Way extension from Aviemore to Kincaig was completed and formally opened in September and project development work for the remaining extension to Newtonmore is underway. Active Cairngorms has been launched following consultation, with a new partnership established and backing of £70k funding from the 2014 Legacy Physical Activity Fund.

The Scenic Routes installation at Corgarff is now on site and a further design competition resulted in winning designs for two sites at Tomintoul and Glenshee.

Significant work with partners at Cairngorm and Glenmore has developed a draft strategy now out for public consultation that brings together the work of all partners across the two land holdings.

Rural Development

The Cairngorms Economic Strategy was formally launched by the Cairngorms Business Partnership (CBP) at their Conference in November. With our support the CBP has taken on the role of facilitating delivery of the strategy and their business plan and staff structure has been adapted to support this. The Cairngorms Digital Steering Group was formed to support delivery of the Strategy and provides the focus for collaboration between the key agencies and partners on the group to enable improved connectivity for the area.

The Cairngorms Tourism Action Plan is an integral part of the Economic Strategy and demonstrates how the National Tourism Strategy (Tourism Scotland 2020) will be delivered at a local level. The Cairngorms Tourism Partnership (CTP) was established in 2014 to facilitate delivery of this action plan. The CTP brings together private and public sector partners to collaborate on ideas and projects to support the growth of the visitor economy in the National Park. A key element of the Action Plan is to enable collaborative marketing activity. The CNPA are working with VisitScotland, the CBP and CTP to develop a Regional marketing strategy for the National Park informed by the recent visitor survey results. We are already delivering collaborative seasonal marketing campaigns with VisitScotland and CBP for Autumn 2015 and Spring 2016 and we had a National Park presence at Expo earlier in the year.

The new funding approach for Community Development Officers is now in place with Memorandum of Agreement with Marr Area Partnership (MAP) and Voluntary Action Badenoch & Strathspey (VABS) for delivery of community support and capacity building across the CNP. Further funding is now in place from CNPA, HIE and Moray Council to continue our support for the Development Officer post with Tomintoul and Glenlivet Development Trust through to March 2018. Community action planning is now underway in Strathdon and reviews are taking place in other communities.

We continue to contribute support and advice to Transport Scotland to inform the A9 Dualling project. We are currently providing responses to Stage 2 consultations on those projects within the National Park to ensure environmental, access, social, and economic issues are identified and considered.

Corporate Services - Finance

Our financial management in the period has encompassed bringing the 2014/15 annual accounts process to a successful, albeit delayed, conclusion. Accounts have been authorised by the Auditor General to be laid in Parliament. The accounts for 2014/15 show a break even position on management of grant in aid masked slightly by the recognition of £131,000 in income for the Speyside Way extension project falling to be recognised in 2015/16 while expenditure on this project was primarily recognised in 2014/15. We have also supported the closure and external audit of Cairngorms Outdoor Access Trust (COAT) accounts, with the Trust showing a new peak in turnover in 2014/15 of around £1.6 million.

Budget monitoring this year continues to indicate that we will again break even in term of our use of revenue and capital grants, while delivering an overall revenue surplus against departmental budget requirements as a consequence of the Speyside Way income recognition in 2015/16.

Looking forward, we are developing various strategic financial planning scenarios to discuss with Finance and Delivery Committee and then Board in responding to the Scottish Government's forthcoming budget and spending review. We are also working to support the Cairngorms Local Action Group (CLAG) in development of appropriate financial systems to underpin the LEADER programme, with the Finance and Delivery Committee having approved the Authority's role as Accountable Body under a Memorandum of Agreement within the terms of the Service Level Agreement with Scottish Government.

Finance - Exception Report

The uncertainty over future levels of funding from 2016/17 onwards represents the only, albeit significant, exception and high risk area within the Authority's financial KPIs. The Scottish Government's budget proposals are expected to be published on 16 December and our future financial planning base, for at least the next year, will be clearer from that date.

We have also highlighted in-year budget monitoring of our income position as a heightened area of risk, as in-year management of resources by Scottish Government for 2015/16 poses some risk to our ability to provide financial support for any projects to which we have not already put in place some form of commitment. This threatens around £50,000 in planned investment in 2015/16.

Corporate Services – Governance

Adoption of the CNPA Corporate Plan by Board and Scottish Ministers saw completion of a process which had included engagement of all staff in stages of development of the plan, including workshops on the Mission and Vision of the Authority, in addition to the strategic Board input.

We have continued to support the CLAG's incorporation as a charitable entity with the application to establish a Scottish Charitable Incorporated Organisation (SCIO) currently with the Office of the Scottish Charities Regulator (OSCR). We have also supported the design and implementation of governance arrangements supporting COAT's The Mountains and The People project, with a Project Steering Group now in place as a full sub-committee of COAT Board.

We continue to roll out the implementation of the new records and document management system and updated project management systems, while finalising disaster recovery planning.

We have dealt with a protracted Freedom of Information request which is currently with the Scottish Information Commissioner for decision.

Governance - Exception Report

The governance KPIs highlight that our complaints handling process is not operating as effectively as we would wish. This matter has also been highlighted in an internal audit report submitted to the Audit Committee on 13 November. Complaints handling has changed significantly over the last year with the adaptation of processes toward more “localised” complaints handling by all staff across the organisation and a single response rather than two stage, more centralised response and internal appeal process. These changes were implemented in response to good practice guidelines issued by the Scottish Public Sector Ombudsman. It is clear that there are some flaws in the operation of our internal systems in adapting to these new processes that we will seek to put right in the next few months.

Human Resource Management

We have resolved a number of HR cases within the organisation over the first half of this year. We have also put in place arrangements for the 2015 staff survey, the fourth such staff survey, which was open for staff input during October 2015 and from which initial results have now been received at the end of November. First, high level analysis indicate a significant improvement on the 2014 survey across all 8 factors, with a response rate in excess of 90% of staff. A report on the staff survey results will be made to the Staffing and Recruitment Committee in the final quarter of the year.

We have continued to coordinate and implement a wide range of projects toward delivery of the Organisational Development Strategy, with new staff induction and appraisal processes a significant highlight over the first half of this year. Staff consultative processes have been reviewed and amended in conjunction with staff representatives. We have also specified and tendered for a management development programme for our “middle managers” in conjunction with Loch Lomond and the Trossachs NPA which will be delivered over the second half of the year.

Human Resource Management - Exception Reports

The number of staffing issues escalating to formal HR caseload under appropriate HR policies rather than capable of informal resolution has continued to be higher than we would wish.

We also continue to see a few stress linked causes of absence which causes an exception report as a consequence of our target of zero cases.

Staff turnover also has remained slightly higher than our accepted thresholds, which has continued a pattern of staff change over the last 12 to 18 months. While as a small organisation we only need a few staff leaving the organisation to cause an exception in this KPI, the indicator does highlight some ongoing churn in staffing and consequent risk of disruption in service delivery and achieving goals.

Overall, there do not appear to be any systemic issues or links between these exception factors, although the Management Team supported by HR continues to give close attention to these matters to ensure risks associated are managed and seek to identify any underlying causal factors which may need resolution. The forthcoming staff survey results should be helpful in informing the wider morale of the organisation and in identifying future action that may need to be taken, or indeed whether the current position gives an indication of the tail end of a few more historic issues.

Cross-cutting Indicators

We have included two cross-cutting indicators in the corporate performance management framework through which to monitor our performance as an organisation in making a reduction in carbon emissions and hence contributing to climate change goals, and also to equalities work.

With regard to the carbon emissions measure, we have taken the opportunity of a new Scottish Government reporting framework to evolve our internal measures from one focused on vehicle based business travel and emissions from that to a more holistic model encompassing electricity, oil and biomass consumption. Future development will seek to incorporate other factors such as rail and air travel into the model. The model shows a significant reduction in emissions since the adoption of the 2007/08 baseline for the Authority's original carbon management plan which is far in excess of our original 3% per annum target.

Our equalities indicator focuses on the work we undertake and previously highlighted as best practice on equal pay audit and analysis.

There are no exceptions to report at this time on the cross-cutting indicators.