Report 1: Quarter 1 Performance and Strategic Risk Management Update

1. **Purpose of Report**
This report informs Members of the Q1 position relating to the delivery of the Operational Plan 2019-20 and the Management Plan, Annual Action Plan, as well as providing Members with an update on the actions taken to mitigate risks to the delivery of the Business Plan 2017-2021 as recognised in the Strategic Risk Register 2018-2021.

2. **Recommendations**
a. The Authority is recommended to:
   1) Note the progress on delivery of the Operational Plan 2019/20.
   2) Note the Q1 position of the Management Plan, Annual Action Plan; and,
   3) Note the progress towards mitigating the risks identified in the 2018-2021 Strategic Risk Register.

3. **Implications**
a. Financial
   The financial implications to the Authority from progress in delivering the Operational Plan 2019/20 have been considered and are included within the medium-term budget plan. Likewise, the actions of the Strategic Risk Register and work to achieve the outcomes of the Annual Action Plan have been considered in the medium-term budget plan.

b. Equalities
   There are no equality implications of this report. The Operational Plan, Strategic Risk Register and Annual Action Plan aim to promote the principles of equality.

c. Business Plan
   This report provides detail of the implementation of the Operational Plan and the management of risk, all aspects of which relate directly to the delivery of the 2017-2021 Business Plan.

4. **Background**
   **Operational Plan**
a. The Operational Plan sets the Authority’s work programme for the year (2019/20), detailing specific actions set against the 2017-2021 Business Plan period. All actions in the Operational Plan have been cascaded into team and individual staff programmes of work for 2019/20. The Operational Plan contains a total of 110 key actions which are incorporated into the overall reporting of performance.

   **Annual Action Plan**
b. The Management Plan Annual Action Plan 2019/20 provides a monitoring framework for the objectives of the Management Plan (2016-2021). The 2019/20 Action Plan gives partners the opportunity to demonstrate the work that they are doing which contributes to the 5 aims of the Management Plan. The Action Plan continues the ‘theme’ based approach that was implemented last year. This is less prescriptive in approach than in previous years and has 9 operational ‘Themes’. These have been developed following Partner contributions to the 2016-17 to 2018-19 Action Plans.
Strategic Risk Register

c. The Authority manages risk through the Strategic Risk Register, which has identified 6 areas of highest strategic risk over the period of the Business Plan. The current register contains 83 individual actions each with a nominated member of the Leadership Team responsible for their progression. The Risk Register is regularly monitored by Leadership Team with progress noted and actions updated as necessary. Members have requested a quarterly update on progress with these actions and the strategic risks. Three risks, 1, 4 and 6 have been identified as risks to be most closely monitored by members.

5. Operational Plan 2019-20

a. At Quarter 1 a review and analysis of the work programme has been undertaken and a summary of performance against the Operational Plan for the first quarter of 2019/20\(^1\) can be found in Table A below.

b. Table A presents the current status of objectives across the 6 Business Plan aims. With 92 of 110 objectives currently remaining ‘on target’ the Q1 Operational Plan performance is strong.

i. In line with NLHF reporting, the Sill project is on target to meet its visitor, activity and volunteering targets by 2020. Visitor numbers are more than 100% of the NLHF target, Activity Days are at 79% of Project total and Volunteering is at 91% of project total.

ii. Improvements to visitor facilities at Walltown are underway with Phase 1 completed in August 2019. Other actions from the Estates Review are progressing to plan.

iii. The co-design of the new Environmental Land Management System (ELMS) is ongoing with significant work underway locally and nationally. NNPA led ‘Test & Trials’ projects are due to start in the Autumn.

iv. The next Organisational Development Strategy is in preparation.

v. The Traditional Farm Building project has received increased funding and has been extended.

c. 17 actions are currently ‘behind target’ and 1 ‘off target’ and relate to:

i. The Master Plan for the Breamish Valley. A view of the visitor offer across the whole of the National Park is currently being considered. Details of recommendations for future project development will be presented to Members for consideration at the September Authority Meeting (agenda point 6).

ii. Capacity limitations / limited availability of support from partner organisations or landowners has led to delays with some actions. Moorland Management Plans and Forestry targets for example, are behind due to high levels of involvement with external organisations.

iii. Prioritisation of tasks within the Authority. Lack of capacity means we have had to prioritise. Supporting improvements to volunteering from Revitalising Redesdale, for example, is unlikely to progress while we continue to pursue Sill volunteering targets.

\(^{1}\) up to the end of June 2019
Table A – Our performance at the end of Quarter 1

<table>
<thead>
<tr>
<th>BP AIM</th>
<th>On target</th>
<th>Behind Target</th>
<th>Off Target</th>
<th>Total Objectives</th>
<th>% on Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - A Welcoming Park</td>
<td>25</td>
<td>1</td>
<td>1</td>
<td>27</td>
<td>93%</td>
</tr>
<tr>
<td>2 - A Distinctive Place</td>
<td>19</td>
<td>2</td>
<td>0</td>
<td>21</td>
<td>90%</td>
</tr>
<tr>
<td>3 - Working Landscape</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>80%</td>
</tr>
<tr>
<td>4 - Thriving Communities</td>
<td>13</td>
<td>3</td>
<td>0</td>
<td>16</td>
<td>81%</td>
</tr>
<tr>
<td>5 - A Valued Asset</td>
<td>9</td>
<td>5</td>
<td>0</td>
<td>14</td>
<td>64%</td>
</tr>
<tr>
<td>6 - Fit for the Future</td>
<td>22</td>
<td>5</td>
<td>0</td>
<td>27</td>
<td>81%</td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>17</td>
<td>1</td>
<td>110</td>
<td>84%</td>
</tr>
<tr>
<td>% of Total</td>
<td>84%</td>
<td>15%</td>
<td>1%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

d. Partnership working is dominated by Operational Plan objectives in Aim 5 – A Valued Asset, Table A shows with only 64% ‘On target’. Areas which are currently ‘behind target’ due to external organisations will be difficult to complete by the end of the year. Nevertheless the Authority remains committed to partnership working as it is critical to much of our delivery.

6. Annual Action Plan


b. Delivery of the current Management Plan and the revision process for the Management Plan in 2021 were due to be the focus of the meeting during September.

c. Due to upcoming legislative changes surrounding Brexit and the intended publication of the Glover Review, it has been agreed that the upcoming meeting be postponed until early in the new year. This should provide some time for organisations to understand the outcomes of these changes.

7. Strategic Risk Register 2018-2021

a. The Q1 update for the Strategic Risk Register has been compiled with progress measured for each of the 83 actions. The summary of these actions is highlighted below. A more comprehensive document is available to members on request.

b. Three risks have been identified as having a significant probability and impact: 1 – The Authority is unable to adapt to changes adopted by National or Local Government and / or partners (External Changes), 4 - The National Park Authority lacks the capacity to complete or meet the ambition of major parts of the Business Plan (Capacity) and 6 - There is a risk that climate change, including extreme weather events and wild fires, damage the environment and reduce the resilience of rural communities and businesses in the national park (Climate Change).

c. Risk 1 – External Changes. The Authority engages with all external consultations that have an impact on the National Park. The most significant of which, the Designated Landscapes Review, has now concluded with interim findings published and final report expected imminently. There is an increased risk that the findings will not be in line with our expectations and some significant changes may be made to England’s National Parks.

d. Risk 4 – Capacity. This is less a risk and more the reality of the Authority’s operational capacity, the impacts are currently realised. The Authority is currently able to identify projects and opportunities but does not have the capacity to pursue them. Unplanned changes to staff work programmes have a direct impact on the
ability to complete elements of the Operational Plan. The Chief Executive’s role as Lead Officer for NPE has also resulted in a loss of capacity to the Authority in 2019. Efforts are being made to streamline reporting requirements to reduce the amount of time spent providing updates and to enhance delegation in order to free up capacity.

e. Risk 6 – Climate Change. This risk and impacts are also being realised. Unusually hot and dry conditions resulted in moorland fires on the Otterburn Training Area in 2018. In 2019, increased duration and intensity of rainfall has caused damage to watercourses and infrastructure. A number of mitigating actions have been identified but remain in early progress due to the limited resources available for delivery.

f. Progress against the Strategic Risk Register actions at the end of Quarter 1 2019/20 is summarised in Table B: 5% of actions are considered to be completed or at an accomplished and ongoing state, 94% of actions are ‘in progress and 1% have received no action to date.

g. ‘In progress’ actions have been further subdivided into ‘early’, ‘acceptable’ and ‘good’ to further differentiate the level of progress in mitigating the risk. In Quarter 1, of the 94% of actions in progress: 16% were in ‘early’ progress; 29% were at a level of ‘acceptable’ progress and; 49% had significant or ‘good’ progress.

<table>
<thead>
<tr>
<th>Strategic Risk</th>
<th>No Action</th>
<th>Early Progress</th>
<th>Acceptable Progress</th>
<th>Good Progress</th>
<th>Actioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1</td>
<td>13</td>
<td>24</td>
<td>41</td>
<td>5</td>
</tr>
<tr>
<td>%</td>
<td>1%</td>
<td>16%</td>
<td>29%</td>
<td>49%</td>
<td>5%</td>
</tr>
<tr>
<td>%</td>
<td>1%</td>
<td>94%</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

Table C – Key to SRR Actions

<table>
<thead>
<tr>
<th>Actioned</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actioned</td>
<td>The proposed actions have been completed and are demonstrating the desired impacts (to avoid or mitigate the risk).</td>
</tr>
<tr>
<td>Good Progress</td>
<td>The proposed actions have been completed or are well progressed, with impacts yet to be determined.</td>
</tr>
<tr>
<td>Acceptable Progress</td>
<td>The proposed actions have been initiated but are dependent on others (&amp; external factors) for further progress to be achieved.</td>
</tr>
<tr>
<td>Early Progress</td>
<td>Some work towards the proposed action is taking place, however a more programmed or enhanced set of actions is required.</td>
</tr>
<tr>
<td>No Action</td>
<td>None of the planned actions have yet taken place.</td>
</tr>
</tbody>
</table>

h. The Strategic Risk Register is not an annual document and seeks to mitigate the risks of not achieving Business Plan aims up to 2021. All identified actions will therefore continue to be monitored on a quarterly basis. These actions may be removed or updated depending on changes to the perceived risks as and when they develop.
8. Conclusions

a. The Operational Plan and Annual Action Plan represent a significant body of work which demonstrate progress on the delivery of the National Park Management Plan and the Authority’s Business Plan. This report demonstrates positive delivery with 84% of actions on target at the end of Q1. The Strategic Risk Register identifies the key risks that need to be addressed in order to ensure that the Authority achieves its Business Plan Objectives. Risk to the delivery of the Business Plan has increased during the Quarter and the Authority is taking the necessary steps to mitigate this. The impact of the Designated Landscapes Review will need to be considered in the Authority’s forward planning in the latter half of the year.

b. Members are asked to note the progress being made on the Operational Plan, Strategic Risk Register and Management Plan Annual Action Plan at the end of Quarter 1.

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