

# Board Paper

17 May 2018

<b>Paper Title</b>	<b>Performance Report 2017/18 Period three report (1 April 2017 to 31 March 2018)</b>
<b>Paper Reference:</b>	<b>Paper NRW B B 18.18</b>
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<b>Purpose of Paper:</b>	<b>To consider performance of NRW for the period three/year-end reporting period (1 April 2017 to 31 March 2018)</b>
<b>Recommendation:</b>	<p>The Board is requested to scrutinise the performance report for period 3 of 2017/18 in advance of sending it to Welsh Government and specifically consider:</p> <ul style="list-style-type: none"> <li>• The adequacy of the supporting explanation for each measure and how we are adopting ways of working that demonstrate the application of sustainable management of natural resources,</li> <li>• The mitigations and actions proposed to address risks to delivery, and</li> <li>• If you are clear that the actions and mitigations in the report are consistent with the Board's risk appetite</li> </ul> <p>The Board is requested to agree a move from four monthly dashboard reporting to quarterly for the 2018/19 year onwards.</p>

<b>Impact:</b>	<p>How do the proposals in this paper help NRW achieve the Wellbeing of Future Generations Act ways of working in terms of:</p> <ul style="list-style-type: none"> <li>• <b>Looking at the long term</b> – The indicators within the performance report build a long-term picture of change.</li> <li>• <b>Taking an integrated approach</b> – the performance report cuts across the breadth of our work.</li> <li>• <b>Involving a diversity of the population</b> – the performance report is made available to the public.</li> <li>• <b>Working in a collaborative way</b> – a number of our indicators track change that requires input from multiple partners.</li> <li>• <b>Preventing issues from occurring</b> – early identification of emerging through the performance report allow plans and priorities to be set to best effect.</li> </ul>
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## Issue

1. The period three (year-end) round of corporate performance reporting, for the year 1 April 2017 to 31 March 2018, has now been completed and the performance report prepared for Board scrutiny prior to submission to Welsh Government. Performance reporting takes place every four months

## Background

2. The corporate performance report is one of the Board's principal ways of scrutinising our delivery and supporting strategic planning.
3. The performance report (annex 1) was developed as part of the process to prepare the 2017/18 Business Plan and 2017-22 Corporate Plan with the Board, the Executive Team and the Planning & Performance sub group of the Board. It consists of:
  - A dashboard providing a single page overview of performance highlights against the Business Plan 2017/18.
  - Text for each dashboard measure focusing on what we have achieved, if there are any notable issues/risks and what are their implications, and what we are going to do next.
  - Text explaining how, across the suite of dashboard measures, we are applying the nine principles of sustainable management of natural resources.
4. This is the third and final report for our current Business Plan (2017/18). It is also the third report of the new Corporate Plan period (2017-2022).

## Assessment

5. For the Business Plan Dashboard, our performance for this year's period three round of corporate performance reporting is shown below alongside the previous reports for period's one and two:

6.

	Period 1 1 April 2017 to 30 June 2017	Period 2 1 April 2017 to 30 November 2017	<b>Period 3 (year- end) 1 April 2017 to 31 March 2018</b>
'Green'	24	22	<b>22</b>
'Amber'	7	10	<b>9</b>
'Red'	0	1	<b>2</b>
N/A	3	1	<b>1</b>
Total	34	34	<b>34</b>

7. The Board is asked to note the "red" report and other key issues across the "amber" and "green" reports.

- Create 230 ha of habitat (Red) – As reflected in the last performance report, we have not created 200ha of habitat through peatland restoration as originally intended, as the relevant schemes did not receive funding. Our Business Plan for 2018/19 includes how we will be working to improve biodiversity and ecosystem resilience by restoring, creating and improving the condition of habitats, through direct interventions on land and water we manage and in collaboration with partners. The 30ha of flood risk management habitat creation has not been achieved this year. Delays to programmed projects has meant that only 8ha of the planned habitat has been delivered this year. They are all still ongoing and it's expected the habitat creation will be realised in 2018/19. Some projects are long term and will deliver habitat creation in future years. A review of 2017/18 will be carried out to identify why projects have failed to deliver this year so that lessons can be learnt for future delivery.
- 80% actions on designated sites are complete or underway (Red) – planned actions underway or complete total 67%. This is due to a lack of land agency staff to carry our negotiations and inclement weather delaying capital works. However there have been successes during the year including commencing the EU Life funded Raised Bog Project which includes seven of the eight raised bog Special Areas of Conservation in Wales. Establishing this significant project has required considerable resource which would have otherwise been used in negotiations elsewhere. We will review the way we plan our annual programme of actions and how we resource its delivery for 2018/19.
- Deliver an effective and co-ordinated incident response service (N/A) – We are confident that we are responding in a timely manner to incidents in accordance with our Incident Categorisation Guidance, however, data from our Wales Incident Recording System does not evidence this. There have been issues around the lack of user -friendliness of the system and we believe that the low performance recorded is largely a system, data entry and time issue. Some systems improvements were made in February 2018 and a new version of the Wales Incident Recording System will be implemented in June 2018. We have set quarterly milestones and are aiming to achieve our target performance levels by the end of 2018/19. The milestones are included in the annex for completeness.
- Determine 90% of permit applications within agreed timescales (Green) – Whilst we have met our target it should be noted that high profile applications can place a significant strain on this service and attract public interest, for example the application at Barry Biomass required public engagement and formal consultations in several stages, and determination of the application, totalled 29 weeks. Ongoing queries and information requests are still being received.
- Construct flood alleviation schemes to reduce risk to 500 properties (Green) – we completed schemes at Leckwith and St Asaph, increasing protection to 1282 properties. However, a scheme at Roath which is due for completion in 2018/19, has become of high public interest and has placed significant demands upon the local team.
- Move to a Commissioning led outward funding model (Green) – The model is operating and has resulted in 200 expressions of interest from which 80 have been selected for full applications. Advice is being prepared to help applicants. The move

to this model has been a significant change for several our partners and we have helped to ensure as smooth an adoption as possible with the provision of help and guidance. This help ongoing. We are also considering how we can develop and improve the approach, within partnership funding rules.

- We have exceeded our target to dispatch 700,000m<sup>3</sup> of timber to market; the actual figure was 743,737m<sup>3</sup>. (Green). We have seen strong demand for timber resulting in an increase in price and therefore income. We have also been working on termination of long term timber contracts associated with larch clearance which were entered in response to *P. ramorum*. We are ensuring an orderly winding down of these contracts whilst avoiding supply chain disruption. Welsh Audit Office are supporting us with scrutiny of the contracts and transitional arrangements.
8. The Chief Executive will provide a verbal summary of achievement at the Board meeting and other members of Executive Team will be available to answer Board questions.
  9. The performance report will be submitted to the Minister for the Environment and Rural Affairs and it will be published on the Natural Resources Wales website.
  10. In order to provide additional scrutiny, it is proposed that for the 2018/19 performance report we will change the frequency of reporting from three times a year to four, i.e. quarterly.

### **Recommendation(s)**

11. The Board is requested to scrutinise the performance report for period 3 of 2017/18 in advance of sending it to Welsh Government and specifically consider:
  - The adequacy of the supporting explanation for each measure and how we are adopting ways of working that demonstrate the application of sustainable management of natural resources,
  - The mitigations and actions proposed to address risks to delivery, and
  - If you are clear that the actions and mitigations in the report are consistent with the Board's risk appetite
12. The Board is requested to agree a move from four monthly dashboard reporting to quarterly for the 2018/19 year onwards. This will align to financial reporting and provide for additional scrutiny.

### **Key Risks**

13. The Board's scrutiny of organisational performance is required as a key element of demonstrating our delivery against Corporate and Business Plans.

### **Financial Implications**

14. There are no significant financial implications in providing the Performance Framework.

### **Equality impact assessment (EqIA)**

15. An equality impact assessment was undertaken for the 2017/18 Business Plan, and our new Corporate Plan to 2022.

### **Index of Annex**

Annex 1 – 2017/18 performance report (1 April 2017 to 31 March 2018).