



18 January 2018

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| <b>Paper Title</b>        | Performance Report 2017/18<br>Period two report (1 April 2017 to 30 November 2017) |
| <b>Paper Reference:</b>   | NRW B B 1.18   |
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| <b>Purpose of Paper:</b> | <b>For scrutiny</b>   |
| <b>Recommendation:</b>   | <p>The Board is requested to scrutinise the performance report for period 2 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, in terms of risk appetite, that the actions and mitigations in the report are consistent with the Board’s risk appetite.</li> </ul> |

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| <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 2017/18 period two round of corporate performance reporting, for 1 April 2017 to 30 November 2017, has now been completed. The performance report has been 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 focussing 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 second report for our current Business Plan (2017/18). It is also the second report of the new Corporate Plan period (2017-2022). Our Corporate Plan will contain our latest set of Corporate Indicators. These will be reported at appropriate points later in the year, and specifically to support next year's strategic planning and review of our Well-being Objectives.

## **Assessment**

5. For the dashboard, the second report for current Business Plan (2017/18), our performance is shown below, alongside the position we reported for period 1.

|         | Period 1<br>1 April 2017 to 31 July 2017 | Period 2<br>1 April 2017 to 30 November 2017 |
|---------|--|--|
| 'Green' | 24                                       | 22   |
| 'Amber' | 7  | 10   |
| 'Red'   | 0  | 1  |
| TBC     | 3  | 1  |
| Total   | 34                                       | 34   |

6. The Board is requested to scrutinise the performance report for period 2 of 2017/18, noting that capacity and resource issues have increased since the last report

resulting in overall performance with fewer green reports and more amber/red. The Board is asked to 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, in terms of risk appetite, that the actions and mitigations in the report are consistent with the Board's risk appetite.
7. The Board is asked to note the following red/amber items from the performance report:
- Create 230 hectares of habitat by March 2018 (Red) – At the last Board meeting we reported we no longer expect to create the 230 hectares original planned for this year. Measure has now been reviewed (as per September NRW Board meeting action) to consider the work being done across the organisation. Work identified included:
    - Advice to Heritage Lottery Funded Project (£1M) led by Keep Wales Tidy and Woodland Trust to create and restore hedgerows.
    - Species licence requirements - eg development licences, compensation for loss of dormouse habitat, creation of bat hibernacula.
    - Advice to Glastir applicants.

We are working with Welsh Government on developing an approach for achieving and reporting on the 15% restoration target from the Aichi Convention on Biological Diversity. In order to report on Wales' contribution to this target we need to establish a process for gathering relevant data.

- Our new organisational design is complete by March 2018 (Amber) - We have completed first view of structural design, but work needed to bring it back to within resource envelopes. Due for completion by next programme board in January 2018. HR consultants employed to deliver refreshed Generic Role Profiles. Staff briefings in January 2018.
- Complete Area Statements by Dec 2019 (Amber) – The timetable has changed slightly on the actions identified for this measure whilst we awaited the publication of Welsh Government's Natural Resources Policy. For example, we had hoped to complete the national ecosystems evidence cut to the seven areas, including narratives on each of those places. We have also had some challenges in developing case studies that get the right messages across and have decided to repurpose this work so that it better supports embedding SMNR. We have mitigation in place that will bring this measure back to green status by the end of the financial year
- 99% of high risk flood risk and coastal risk management assets at target condition (Amber) - 97.5% of NRW maintained assets in high flood risk systems are at their target condition
- Implementation of our People & Teams Strategy (Amber) - The new approach to running our people survey was approved by PaRC in September 2017. Other

priorities have dictated a revised timeline for the launch of the people survey to January/February 2018.

- Deliver our Customer Focus Programme (Amber) - Amber due to the rescheduling of the customer surveys, whilst the other elements of this measure remain on track
  - Quality of Collaboration (measure to be confirmed) (Amber) - Internal and External customer surveys delayed from December to March, due to clash with landing of Job Evaluation. Collaboration will be developed following surveys.
  - Restock 1,000 hectares by March 2018 (Amber) – 409.4 ha's restocked, of which 257.8 ha's are coupes clear felled because of phytophthora ramorum infection. The land-bank is currently 5,270 ha's (a position that will be reassessed in June 2018)
  - 80% of actions on designated sites are complete or underway by March 2018 (Amber) - 43% of actions were reported as underway or complete at 30th November 2017. This is within 10% of the target for this reporting period
  - Increase opportunities for local access that bring communities together (Amber) – Amber as there is currently no resource to appoint a Cyfle scheme manager to transform current ways of working and embed the scheme from March 2018.
  - New approach and monitoring system for enforcement by March 2018 (Amber) – Basic governance documents are now in place with the introduction of a basic tactical assessment and we're developing a strategic assessment. Governance process is still to be developed
  - Deliver an effective and co-ordinated incident response service by March 2018 (TBC)
8. The Interim Chief Executive will provide a verbal summary of achievement at the Board meeting and members of Executive Team will be available to answer questions.
9. The performance report will be submitted to the Minister for Environment and it will be published on the Natural Resources Wales website.

### **Recommendation**

10. The Board is requested to:

- Scrutinise and agree the performance report for period two, prior to its submission to Welsh Government

### **Key Risks**

11. If the performance information provided does not accurately reflect progress towards Business/Corporate Plan Objectives, then the Board will be unable to fulfil their role to scrutinise NRW's delivery.

### **Financial Implications**

12. There are no significant financial implications in providing the performance report.

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

13. An equality impact assessment was carried on the 2017/18 Business Plan.

### **Index of Annex**

Annex 1 – 2017/18 period two performance report (1 April 2017 to 30 November 2017).