20 September 2017

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| **Paper Title**  | **Performance Report 2017/18** **Period one report (1 April 2017 to 31 July 2017)** |
| **Paper Reference:** | **Paper NRW B B 40.17** |
| **Paper Prepared By:** | **Mark Hughes** |
| **Paper Presented By** | **Emyr Roberts**  |

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| **Purpose of Paper:** | **For scrutiny** |
| **Recommendation:** | The Board is requested to scrutinise the performance report for period 1 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, in terms of risk appetite, that the actions and mitigations in the report are consistent with the Board’s risk appetite.
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| **Impact:**  | How do the proposals in this paper help NRW achieve the Wellbeing of Future Generations Act ways of working in terms of :* **Looking at the long term –** The indicators within the performance report build a long term picture of change.
* **Taking an integrated approach** – the performance report cuts across the breadth of our work.
* **Involving a diversity of the population** – the performance report is made available to the public.
* **Working in a collaborative way** – a number of our indicators track change that requires input from multiple partners.
* **Preventing issues from occurring** – early identification of emerging through the performance report allow plans and priorities to be set to best effect.
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**Issue**

1. The 2017/18 period one round of corporate performance reporting, for 1 April 2017 to 31 July 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**

1. The corporate performance report is one of the Board’s principal ways of scrutinising our delivery and supporting strategic planning.
2. 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 noteable 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.
1. This is the first report for current Business Plan (2017/18). It is also the first 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**

1. For the dashboard, the first report for current Business Plan (2017/18), our performance is shown below. For future periods we will show the previous report situation, and expectation, as appropriate.

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|  | Period 11 April 2017 to 31 July 2017 |
| ‘Green’ | 24 |
| ‘Amber’ | 7 |
| ‘Red’ | 0 |
| TBC | 3 |
| Total | 34 |

1. The Board is requested to scrutinise the performance report for period 1 of 2017/18, 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, in terms of risk appetite, that the actions and mitigations in the report are consistent with the Board’s risk appetite.
1. The Board is asked to note the following items from the performance report
* Create 230ha of habitat by March 2018 (rating to be confirmed) – This measure is made of two elements; 30ha from our flood defence work; and, 200ha from peatland restoration. Whilst the 30ha is expected to deliver by March 2018, the 200ha will no longer deliver. The 200ha was part of a wider package of work supporting our Carbon Positive aims. However it did not meet relevant criteria so funding could not be made available. It is recommended this measure is revised from 230ha to 30ha for 2017/18. The measure should also continue into 2018/19 to include habitat creation from work including, ancient woodland restoration, the LIFE lowand raised peat bog project, and the Pen-y-Cymoedd wind farm.
* Restock 1000ha by March 2018 (Amber) – Within 10% of profile for this point in the year despite delays due to ground nesting birds. The use of mechanical planting to extend the time available is partially helping to mitigate delays.
* 80% of actions on designated sites are complete or underway by March 2018 (Amber) – The annual programme was developed at the start of the year and is within 10% of the expected position for this point in the year.
* Clear 715ha of trees on our estate to manage Larch disease (Amber) - We are developing a new method of reporting and are currently unable to confirm the clearance figure. We expect the clearance work to be broadly on track. Detailed business reports, expected to be available in October, will confirm our position.
* Deliver an effective and co-ordinated incident response service by March 2018 (to be confirmed) – Our Incident Management Business Board will determine the long-term targets and the milestones including, the percentage of incident reports closed within 30 days, the percentage of calls within our remit that are assessed within 1 hour of receipt, and, the percentage of “high” incidents responded within four hours. Once agreed, the targets and milestones will be available in early 2018 for the next scrutiny of this dashboard.
* 99% of high risk flood and coastal risk management assets at target condition (Amber) – Currently 98% are at target condition. The gap to the 99% target is 36 asset fixes which we expect to complete this year, although this could be affected depending upon any future flood related damage to assets.
* Bring 700k m3 timber to market by March 2018 (Amber) – delivery is slightly below the profile for the year. We expect the profile to be met. However we would suggest that Board may wish to have a more in depth look at how we measure our timber production at a future meeting. The current measure has been in use for a number of years, but there may be an opportunity to develop more informative measures, looking at, for instance at improving profitability and/or meeting market demand.
* Quality of collaboration (measure under development and to be confirmed) – we are currently looking in to two areas where we hope to be able to assess how well we collaborate. Firstly we will undertake a baseline external customer survey later this year, and secondly our new partnership funding model will be in place by April 2018. Both areas have potential for a future collaboration measure. We expect to retain this measure into 2018/19.
* Our new organisational design is complete by 2018 (Amber) - The project plan has been revised to complete implementation of orgainsational design by March 2019. This requires increased resources. This timescale is demanding. We have been working to prepare a specification for the additional resource and procure it. The timeline will be challenging.
* Implementation of our People and Teams Strategy (Amber) - People Survey options for 2017 will be considered by our PaRC committee in September 2017. Exact detail of the measure will be confirmed following this date. We will be aiming to improve staff engagement and how results are translated into action, with results that help to make things better.
1. The Chief Executive will provide a verbal summary of achievement at the Board meeting and members of Executive Team will be available to answer questions.
2. 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.

**Recommendation**

1. The Board is requested to:
* Scrutinise and agree the performance report for period one, prior to its submission to Welsh Government

**Key Risks**

1. 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**

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

**Equality impact assessment (EqIA)**

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

**Index of Annex**

Annex 1 – 2017/18 period one performance report (1 April 2017 to 31 July 2017).