Board Paper

8 October 2015

Paper Title	**Performance Report 2015/16** **Report for Period 1 (1 April 2015 to 31 July 2015)**
Paper Reference:	**NRW B B 53.15**
Paper Prepared by:	**Mark Hughes**

Purpose of Paper:	**To consider performance of NRW over the first reporting period (between 1 April and 31 July 2015)**
Recommendation:	The Board is requested to: • Exercise scrutiny and governance over performance so that this can be reported to Welsh Government • Provide advice and support on the ongoing suitability of the Performance Framework • Note the latest Corporate Risk Register
Decision Required:	Endorsement of the performance report

Impact:	**Impact on the Environment**: The performance report shows progress of Good Environment indicators and targets against the second year of our Corporate Plan and the 2015/16 Business Plan respectively. **Impact on the Economy**: The performance report shows progress of Good for Business indicators and targets against the second year of our Corporate Plan and the 2015/16 Business Plan respectively. **Impact on Community**: The performance report shows progress of Good for People indicators and targets against the second year of our Corporate Plan and the 2015/16 Business Plan respectively. **Impact on Knowledge**: The performance report shows progress of Good Knowledge indicators and targets against the second year of our Corporate Plan and the 2015/16 Business Plan respectively.

Issue

1. In our Business Plan for 2015/16, the second year of our Corporate Plan 2014/17, we set out our ambitions. These stem from the requirements Welsh Government set out in our Remit Letter, our continuing need to deliver the benefits from the Business Case for our establishment, and the necessary changes to have the capacity to stand alone and provide value for money.

2. Our Performance Framework was developed in response to the specific requirement in our Remit Letter. The Framework is one of the Board's principal ways of scrutinising our delivery and supporting strategic planning. The Framework was considered and approved for use at the Board meeting of 14 May 2014.

3. Our Business Plan Dashboard is a component of the Performance Framework. Updating the Business Plan Dashboard for the second year of our Corporate Plan 2014/17 was undertaken in March 2015. The Board sub group on Performance considered this update on 18 March 2015, including the addressing of Board comments on the Dashboard. The updated Business Plan Dashboard 2015/16 was approved at the Board on 27 March 2015.

4. The first round of performance reporting, for the year to 31 July, 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.

Summary

5. The Performance Framework report (annex 1) consists of 3 distinct elements:

- A one page Performance Summary Report providing a single page overview of performance against the Corporate Plan 2014/17, Business Plan 2015/16 and the Business Case for the creation of Natural Resources Wales.
- Progress Reports giving the latest position on our corporate indicators and performance measures for each of our five "Good for" themes.
- A Business Plan Dashboard giving a single page overview of how we are progressing with our targets from our Business Plan 2015/16 plus a small number of indicators.

6. The Corporate Risk Register (annex 2) shows the most up to date (September 2015) consideration of risks associated with our delivery.

7. The Board is requested to:

- Exercise scrutiny and governance over performance, so that this can be reported to Welsh Government.

- Provide advice and support on the ongoing suitability of the Performance Framework.
- Note the latest Corporate Risk Register.

8. Both the performance summary and progress reports are detailed in Annex 1 and the Board is asked to consider our performance. Turning to the Business Plan Dashboard, our performance for the period 1 April 2015 to 31 July 2015 compared to our performance at the end of 2014/15 is shown in the table below:

	Year End 2014/15 (Previous status)	**Period 1 1 April 2015 to 31 July 2015**
'Green'	28	**23**
'Amber'	9	**15**
'Red'	2	**3**
N/A[1]	2	**-**
Total	41[2]	**41**

9. The Board is asked to note the following "red" and "amber" reports, noting a number of the ambers are flagging risks to future delivery:

- *Marine, Terrestrial & Freshwater Environment (red):* Welsh performance of 24%-33% against 95% target from Wales Environment Strategy. Our work alone will not achieve the required improvements in the condition of site features. Significant resource is being applied to our programme of prioritised actions for special sites.
- *Water Environment (red):* Welsh performance of 40% good ecological status against a 50% target under the Water Framework Directive. Between 2011 and 2013 partnerships worth £4.4million, improved 152 water bodies, creating or restoring 400ha of habitat and enhancing or restoring 370km of river. The updated river basin management plans for the 2nd cycle (2015-2021) will be published by the statutory deadline of 22 December 2015.
- *We manage outbreaks of plant health pests and diseases (red):* We anticipate meeting our *P. ramorum* larch felling target, but the original restocking target is unlikely to be met this year.

[1] Indicators where a red/amber/green rating was not applicable in 2014/15 were Ea Water environment and Ob Staff engagement index.
[2] We have 32 measures and 9 indicators on our Business plan Dashboard. The indicators are: Ea Water environment, Ee Marine, terrestrial and freshwater environment, Pa Flood Risk Management, Pd Volunteering and skill development in the natural environment, Ba Application Processing, Bd Our role as a statutory consultee, Be Generating income, Oa Customer and stakeholder satisfaction index and, Ob Staff engagement index.

- *We develop Wales' approach to Natural Resource Management (amber):* A project plan and design work for producing area statement are in place, and a biodiversity workshop was held to develop narratives. We are now reviewing lessons learnt and considering how best to carry out more of these events.
- *We work to develop funding mechanisms to support Natural Resource Management (amber):* The project charter to optimise external and partnership funding opportunities is in place. Plan development will occur next before implementation can commence.
- *We effectively engage with the public and share our technical advice and expertise (amber):* We have established customer metrics and are learning from feedback.
- *We implement our Communications Strategy (amber):* We are now measuring communications activity as part of our Communication Strategy priorities
- *We ensure sustainable management of land and water we manage (amber):* Our UKWAS audit actions are near to being closed out.
- *We embed climate change adaptation in high risk areas of our work (amber):* Our Carbon Net positive programme is established and governance needs to be confirmed following new appointments. We have progressed climate risk assessment for our marine Natura 2000 sites and produced a related thematic plan. We are considering how best to progress other priority areas
- *We implement our marine programme (amber):* We have been working with Welsh Government to inform the formal public consultation on Harbour Porpoise and Marine SPA, and on the development of the Wales National Marine Plan. The timetable is dependent upon Welsh Government.
- *We work with others to improve local environment quality (amber):* We are considering Cyfle scheme development/management proposals and will follow this with appropriate actions to ensure that the scheme is being delivered in a consistent, professional and safe way across the organisation including a co-ordinating resource. We will additionally scope and plan our contribution to delivery of the Esgyn/Lift scheme. A working group is overseeing how we prioritise completion of supporting local authorities with their green space data.
- *Volunteering and skills development in the natural environment (amber):* There has been progress with establishing Cyfle as a single and consistent national framework. Data will be collected for the volunteering activity supported by Woodlands and You and our funding programmes.
- *We maintain high risk flood and coastal risk management assets (amber):* 98.7% of our flood risk assets in high risk systems are at target condition (our target is 99%). A new asset management system is currently being rolled-out.
- *We develop our regulatory systems (amber):* The development and issue of a revised charges scheme is expected to be completed as planned. Of the 30 waste sites identified as needing permit changes we have issued 9 new installation permits and varied 16 waste operations permits. Work on Industrial Emissions Directive permits is expected to now focus on the lime and cement sector.

- *Our role as a statutory consultee (amber):* We responded to 88% (target 90%) of consultations within agreed timescale whilst the new ICT system is in development and the Mid Wales team established.
- *Application processing (amber):*89% of permits, licences and consents were issued within timescale (target 90%). The single issue which caused the late issuing of a small number of notices has been addressed and we expect to achieve the target at the next reporting round.
- *We achieve efficiency targets through our improving efficiency and service delivery programme (amber):* A number of service reviews have been initiated but the work to identify the efficiencies requires further input.
- *We plan and allocate resources to business priorities and achieve performance reporting that drives continuous improvement (amber):* £145m projected Business Case Benefits against a target of £158m over 10 years. The cash releasing estimate is green as it is slightly above the Business Case figure, however the non-cash releasing figure is under target. The non-cash releasing target continue to be monitored and evaluated to ensure all are being captured and estimates are accurate.

10. Executive Director's responsible for each "Good For" theme will provide a verbal summary of achievement at the Board meeting and will invite comment from the Board on performance for this reporting period.

Next Steps

11. Subject to Board approval of the performance report we will forward and discuss it with our Sponsoring Department in Welsh Government

Risks

12. Without our Board undertaking proper scrutiny of our performance there is a risk we would fail to deliver our Corporate and Business Plans. The Board would also be failing in its duty to undertake scrutiny and governance.

Financial Implications

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

Communications

14. The performance report will require communication to the Minister for Natural Resources.

15. A copy of the performance report will be placed on the Natural Resources Wales Website to inform the public and others.

Equality impact assessment (EqIA)

16. Not applicable.

Index of Annex

Annex 1 – 2015/16 performance report for period 1 (1 April to 31 July 2015).
Annex 2 - Corporate Risk Register