



Board Paper

Paper Title:	Performance Report 2018/19 - Quarter three report
Paper Reference:	Paper 1903-B10
Paper Sponsored By:	Clare Pillman
Paper Presented By:	Executive Team

Purpose of Paper:	Scrutiny / Decision
Recommendation:	<p>The Board is requested to scrutinise and agree the performance report for quarter three, prior to its submission to Welsh Government and specifically consider:</p> <ul style="list-style-type: none">• The adequacy of the supporting explanation for each measure and how recent legislation has changed how we work.• The action taken and planned.

Issue

1. The 2018/19 quarter three round of corporate performance reporting, for 1 April 2018 to 31 December 2018, has now been completed. The performance report has been prepared for Board scrutiny prior to submission to Welsh Government. Performance reporting takes place every three months – a change from last year (when we reported 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 2018/19 Business Plan and the Corporate Plan to 2022 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 2018/19.
 - Text for each dashboard target focussing on why each activity is important, what we have achieved and what we are going to do next.
 - Text explaining how, the Environment (Wales) Act and Wellbeing of Future Generations (Wales) Act have changed how we work.
4. This is the third report for current Business Plan (2018/19). It is also the first year of reporting related to our new Corporate Plan to 2022.

Assessment

5. Our performance for quarter three of the Business Plan (2018/19) is shown below:

	Quarter One 1 April 2018 to 30 June 2018	Quarter Two 1 April 2018 to 30 September 2018	Quarter Three 1 April 2018 to 31 December 2018
'Green'	24	21	14
'Amber/Green'	0	1	4
'Amber'	3	8	9
'Red/Amber'	2	2	2
'Red'	0	1	4
On hold			1
See detail	6	2	1
Total	35	35	35

6. The Board is requested to scrutinise the performance report for quarter three of 2018/19, and specifically consider:

- The adequacy of the supporting explanation for each measure and how recent legislation has changed how we work.
- The action taken and planned.

7. The Board is asked to note the following items from the performance report:

- **Red - Monitoring and addressing tree and plant health** – *P ramorum* is the most serious tree disease problem to have affected forests in Wales. Over the past few years it has spread very rapidly and is now causing very serious economic, social and environmental impacts. The control measures through the Statutory Notice is a legal requirement for the protection of plants from harmful pests and diseases by preventing disease introduction or spread. We have been managing the disease using Statutory Notices since 2010. To date over 8,000ha of larch on the Welsh Government Woodland Estate have been placed under some form of Statutory Notice. We will continue to regulate the disease in the manner noted in Welsh Government's *Phytophthora ramorum* in Wales - Disease Management Strategy. The 90% target for notices to be issued within 30 days of disease confirmation has not been met; it is currently 52%.
- **Red – Incident Response** – This measure was subject of the first Board deep dive of performance assessment in January 2019. This has been a challenging quarter with resources being diverted to help with the new Organisation Design, responding to numerous incidents as well as undertaking routine activity.
- **Red - River restoration plans** – A total of five plans have now been commissioned. We have fallen short on scheduled delivery because of other business priorities. We will have nine completed plans by Q2 of 2019/20 and will be agreeing priorities for four more.
- **Red – Impact of industry and waste sites** – The number of poorly performing waste and industry sites has increased, however, poorly performing industry and waste sites have plans in place to address specific problems at the sites.

Enforcement notices have been issued to two industry sites where serious non-compliance has been identified with the potential to cause significant pollution. Significant investment is planned at a number of sites which should be evident in improved performance in 2019.

- **Red/Amber - Reservoir programme** – The breaches predominantly refer to a lack of surveillance visits. Whilst one site was resolved during the period, another was reported to be in breach. Remote monitoring is being installed to assist prioritisation of staff visits. A programme is in place to address all “Measures In The Interest Of Safety” including non-statutory items to reduce future liability.
- **Red/Amber – Implement River Basin Management Plans (RBMP)**- For local measures we have not been able to complete the target by December 2018 due to resource constraints. We have achieved 73% out of the 90% target. Progress with the national measures, including any additional new measures, was formally reported to Europe in December 2018. The majority of national measures (86%) have been made operational with some having been completed. The local and national measures form part of the commitment made by NRW in the statutory RBMPs. For our investigations programme we have completed 29%, although there have been some changes to the total programme due to a quality assurance exercise. In addition, there has been work in other waterbodies to prevent deterioration, make improvements at an element level, address local high profile issues, work on other water quality statutory drivers and to support partnership working which is not reflected in the figures.
- **Amber – Develop Area Statements** – We have been consolidating our governance and decision making with respect to Area statements. The emerging themes continue to evolve and we are checking their suitability for sharing externally to help continue and frame discussions with stakeholders. This has delayed the expected timetable a little but we expect to catch up in 2019.
- **Amber – Land restocking for sustainable forest management** – Tree planting contracts were awarded mid-February. The planting season will carry-over into 2019/20 and it is unlikely that more than 1500ha’s will be completed by the end of March 2019. Depending on how much can be planted in April and May, it is possible that the land-bank remains above 4% until 2021/22.
- **Amber – Implementing ‘Vital Nature’** – The quarter three milestone to review the extent of and opportunities for habitat restoration, creation and condition improvement across NRW’s activities is amber. Work is underway through internal and externally focused task and finish groups and is currently focused on multi-sector guidance on ecosystem resilience delivery and assessment and descriptions of habitat restoration and creation.
- **Amber - Flood assets** – We own and maintain over 3,900 flood risk assets in providing an agreed standard of protection to 73,000 properties in Wales. We inspect our assets on a planned rolling basis, plan repairs where needed, and

monitor the status every month. The last quarter saw more asset fixes being carried out than was forecast, with an additional three repairs being carried out. These include long standing failing assets at Crindau, Newport that have now been passed. Area asset and operational teams are addressing damaged assets through both revenue and capital projects.

- **Amber – Flood Risk Management Capital Programme** – Projects at Pontarddulais and Friog Cliffs are expected to complete construction later this year, whilst the St Asaph scheme was officially opened by the Minister for Environment in July. Our major construction scheme at Roath has been paused as we work with the campaign group for a favourable solution. Our other large construction project at Crindau has finished the majority of work with only three contested pockets of land left to finish; it is hoped that agreements can be reached, and this work finalised in 2019/20.
 - **Amber – Promoting outdoor recreation** - The Wales Coast Path promotion strategy and action plan have been finalised (subject to formal approval in quarter four). Good progress has been made with the contracts to develop promotional content and activity. ‘Go live’ approval was delayed, however the website is now live. Formal sign-off of the new website will now be in Q4.
 - **Amber – Implement Organisational Design** - Work is ongoing to develop the new ways of working, with the main focus at the moment being the setup of the finance and HR systems. We are continuing to assess deliverability of changes.
 - **Amber - Improve our organisation** – Our Induction programme, designed in September, was run as a pilot in October/November with good engagement. People Survey responses have had a significant impact on many areas of our work but further local roll-out has not been prioritised through the current Organisational Design phase which moves us to an amber.
 - **Amber – Wellbeing Health and Safety** – Four incidents have occurred during the year; each was investigated, and lessons learnt provided to relevant managers. Thankfully we have very few lost time incidents, however this does mean there is insufficient data to establish trends, with each incident being individual and random. Any repeat of incidents would be picked up through our review process.
 - **On hold – Quality of our Evidence base** – Target is on hold to produce a high-level draft of evidence strategy, including how we increase quality of our evidence base, while the external Evidence Advisory Committee (requested by the new Board) is established.
8. 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.

Summary

9. Current performance position for the 35 measures in the Business Plan dashboard reflects 14 green measures, 20 performance exceptions and one for the provision of detail.

Recommendation

10. The Board is requested to scrutinise and agree the performance report for quarter three, 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.

Next steps

12. The performance report will be submitted to the Minister of Environment, Energy and Rural Affairs and it will be published on the Natural Resources Wales website.

Financial Implications

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

Equality impact assessment (EqIA)

14. An equality impact assessment was carried out on the 2018/19 Business Plan.

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15. 2018/19 Business Plan dashboard