

10. DEFRA PEATLAND RESTORATION FUND PROJECT (MSC)

1. Purpose of the report

The Peak District National Park Authority proposes to retain a leading role in moorland/peatland restoration work through the practical delivery of capital works under the Peatland Restoration Fund (PRF). This is being granted to the Authority by the Department for Environment, Food & Rural Affairs (Defra) and is proposed to be managed and delivered by Moors for the Future Partnership (MFFP). The delivery of this project will account for up to 50% of the national fund available for peatlands and will place the Authority in an influential position with Defra through being a key part of the delivery of their national soil and carbon strategies.

We are seeking approval to undertake the Defra Peatland Restoration Project which is to be fully funded by the Defra Capital Grant Scheme for the Restoration of Peatland in England. There will be no cost to the PDNPA. At the time of submitting this report confirmation has not been received from Defra on the success of the Authority's application (we have been advised that we will be informed of this on, or near to 19th January). Accordingly this report is written on the basis of the Authority's bid being successful. The purpose of this report is therefore to request authority to proceed with this project in anticipation of a successful outcome.

This will constitute a significant project, with an estimated capital works cost of £4.83 million over a three year period. These works are designed to include the restoration of the most extensive areas of bare peat remaining within the National Park that have defied attempts in recent years by MFFP to secure funding for restoration, and two key areas in the newly designated West Pennine SSSI and Rossendale. The inclusion of sites outside the national park now provides an opportunity to extend the Authority's skills, working beyond our boundaries with experience and reputation as an exemplar in this field, and to extend the positive influence of the PDNPA through the support of areas adjacent to the national park by championing peatland restoration through MFFP.

Key issues

- The project is to deliver Defra funded peatland restoration on land in the Peak District and West Pennines which until the creation of the Peatland Restoration Fund (PRF) has not been possible to restore due to lack of a viable funding mechanism.
- The authority limit requested is for the Authority to accept the management and delivery of up to £4.83m of bare peat revegetation work over eight separate sites between 2018 and 2021.
- All works are characterised as immediate peatland habitat recovery works and for the avoided losses of carbon associated with the sites in their present degraded states.
- The acceptance of this project represents a significant opportunity to secure a viable means of addressing eight remnant bare peat sites without funding through agri-environment schemes or MoorLIFE 2020. This will make a valuable contribution to completing the immediate restoration work needed to put the Peak District moorlands into recovering condition at a landscape scale.

This project is in line with the Business Model, in the Moors for the Future Partnership Business Plan, approved by this Committee.

Recommendation

2.
 - 1 That the Audit Resources and Performance Committee approves this request to deliver the project.
 - 2 That the Audit Resources and Performance Committee supports the application to undertake the Peatland Restoration Project and accepts the grant from Defra of up to £4.83 million to deliver the project.
 - 3 That the contracting details with Defra will be signed by the CEO in consultation with the Head of Programme Delivery, Moors for the Future Partnership, the Chief Finance Officer and the Head of Law.
 - 4 That the Authority may, subject to compliance with its procurement standing orders, enter into contracts for the delivery of the project.

How does this contribute to our policies and legal obligations?

3. This project will support all 7 special qualities and will directly benefit the strategic outcomes of this Authority; contributing to National Park Management Plan 2012-17 Objectives: DL1/ DL3.1 / DL 3.4 / DL 3.5 / DL 4.2.1 / WI 4.3 / WI 4.5 / ES1

Further details on the strategic fit of the project within the Peak District National Park Management Plan (2012-17) delivery aims and objectives are outlined in Appendix 2.

This project will also build upon the Authority's good engagement with several major partners (Severn Trent, United Utilities, Yorkshire Water, RSPB, National Trust, Environment Agency and Natural England) who have significant influence over the management of the moorland landscape. Within this partnership, significant positive changes to the nature of the South Pennine Moors Special Area of Conservation have been achieved and will continue to be delivered.

4. Background

In 2017 Defra released a peatland restoration fund of £10m for peatlands in England. Bidding for this fund was opened in July 2017 and the Authority's submission was made by the deadline of 20 November 2017. The funds will be awarded as part of a competitive tender for avoided losses of carbon through addressing bare peat erosion, and will principally be awarded based on the cost (£) per tonne of avoided carbon loss.

Moors for the Future Partnership (MFFP) have produced eight capital works plans for remnant bare peat sites. Six of these are within the Peak District National Park boundary, in addition to one in the newly designated West Pennines and another in the so called Rossendale Gap.

Both the sites that are outside the park boundary are within the landscape of the southern Pennines and are areas of key interest for MFFPs partner organisations as valuable sites for a range of ecosystem services including Natural Flood management (NFM), as well as being part of the home range of the bird species for which the Dark Peak SSSI and South Pennine Moors SPA were designated. All sites are within and feeding into water catchments for Environment Agency priority communities at risk of flooding. The works proposed will emulate the work delivered by MFFP on other degraded peatland sites over the past 15 years and includes the use of methods and techniques that the partnership has a great deal of experience in delivering.

No match funding is required as part of this project, though Defra will take into consideration any complementary funding invested on other relevant projects that offer opportunity to increase the positive benefits and influence of the works. In the context of the Peak District the ongoing MFFP program of restoration works has been highlighted as part of the bid, demonstrating the very significant investment that has already been attracted by the Moors for the Future partners into the landscape. At the time of the bid submission no specific agreements were in place for offers of complimentary funding, though a number of MFFP partner organisation gave letters of support that will be followed up in the event of the bid being successful.

The works proposed are essential to bring the moorland landscapes within which the remnant bare peat is located into a recovering condition. In this way the capital works will address critical gaps in the ecological connectivity of the restored landscapes, and should be regarded as a continuation project, being the next logical step to completing the initial restoration of peatlands in the Dark Peak and adjoining areas.

The plans have a combined works cost value of £4.83m which is also the maximum value that Defra may award the Authority. These works will be for delivery between April 2018 and March 2021. Defra may also award any of the eight sites funding as individual projects rather than as part of a portfolio. All costings were calculated on an individual site basis in the bid stages to ensure the ability to deliver the individual sites as standalone projects as required.

Authority staff have been consulted on this proposal and a recommendation to ARP to approve the proposed project was given at RMM in December 2017.

Responsibilities

The Project will be managed by Matt Scott-Campbell, Conservation and Land Management Project Manager (Moors for the Future), within the current Moors for the Future programme. Overall supervision will be provided by Matt Buckler, Moors for the Future Conservation and Land Management Programme Manager

Timescale

The project will be implemented over a 3 year period (2018-21), with capital works expected to commence in Autumn/Winter 2018. In the event of authority being granted, Defra staff time on works planning will commence in April 2018.

Budgetary Limits

The maximum budgetary engagement with Defra will be for capital works up to the value of £4.83 million over 3 years. The exact budget will be agreed between Defra and the Authority at the point of award.

Reporting Requirements

Claims for completed capital works will be made to Defra every six months with project reporting being on the same basis. A full schedule of dates for both claims and reporting has been defined and formed part of the Authority's bid application.

5. Are there any corporate implications members should be concerned about?

A number of the sites included in the bid have complicated land ownership and stakeholder scenarios. This will require significant Officer input to manage and secure the necessary agreements from all parties. This exercise will be funded through the Defra grant and undertaken on a site by site basis, and there is a residual risk that the necessary approvals from all parties may not be achievable for reasons that are not visible to the Authority at the time of bidding.

During the application writing stage MFFP made contact with the key stakeholders for each of the sites included in the bid and we received a great deal of support and help with the preparation of the capital works plans. The key stakeholders for each site have indicated their full support of the proposed works, given an outline of what level of wider stakeholder engagement is anticipated to be required, and have pledged to be involved with this and facilitate all necessary dialogue to agree the works proposals.

The Defra grant award is made subject to MFFP having all the necessary consents and approvals in place to deliver the works. In the event that any consents are withheld, thus stopping the works on any given site, no grant for that site will be awarded by Defra.

6. Financial:
Cash Flow

There will be large cash flow amounts for the Authority to incorporate. Funds for individual contract items would be required from the Authority in advance prior to claiming this back from Defra. An anticipated profile of spending has been defined for the whole project and has been submitted to the PDNPA Head of Finance for review.

The value of the project will be up to £4.83m. A cash flow forecast is attached as Appendix 1. Note there is no financial input requested from the Authority. The project will be funded by Defra and grant claims will be made every six months.

7. Risk Management

Health and Safety

All projects will be managed as currently, in discussion with the Authority's Health and Safety Officer. This includes use of the Construction Design and Management Regulations (CDM 2015), where applicable.

Practical Delivery

The large scale restoration works proposed within this project are within the expertise of MFFP. As such the risk of the work not delivering the required results is considered to be low.

As part of this recommendation the MFFP Programme Management team has assessed the resource requirements of this new project. This has been in consultation with the MFFP team and Head of Programme Delivery. Following this assessment the availability of capacity within MFFP to deliver this project is confirmed. The continuation of adequate capacity in light of ongoing commitments on other projects will remain the responsibility of the MFFP Programme Managers.

All projects will be planned and managed using the Moors for the Future Project Management Toolkit. This includes using Gantt chart techniques to define the critical path for project delivery and the use of a RID Log (Risks, Issues & Dependencies) to identify and manage risks to project delivery.

A project delivery schedule will be defined at the start of the project based on MFFPs operational capability and agreed with Defra. This schedule will be base-lined and continually monitored to assess project progress and to anticipate potential delivery issues. The project will also be managed under change control with the funders and be re-baselined as may be required in the event of changes. MFFP have considerable experience of project management for works of this nature, and the risks to success stemming from MFFP's proposed management of this project are low.

Material and Contractor Availability

It is recognised that the capacity of the contractor community will be stretched during the next few years as MFFP enter key capital delivery years for the MoorLIFE 2020 project and the ongoing Private Lands Portfolio of works funded by Natural England. All projects will be delivered in tandem with one another to manage the risk of contractor capacity and to drive efficiencies and economies of scale in procurement. MFFP has existing and established framework contracts in place that will be sufficient to procure all the proposed works. These will be fully integrated into MFFP's wider programme of works.

There is also a risk area around the supply of materials in particular heather brash, for which there is a substantial requirement as part of the proposed project. The Conservation & Land Management Team at MFFP will source additional brash supplies to meet the demands and manage the requirements of all projects. Initial efforts for this have begun and further brash supply contacts are already in development. With the introduction of NE's recent guidance on the withdrawal of burning as a management tool it is anticipated that new areas for heather brash cutting will be forthcoming to meet the project demands.

General Management

The new project will be managed by a project group in the same manner as with the other MFFP projects. The remit of this group is to provide project steering and would be made up of, the MFFP Programme Management team, representatives from Defra and the Project Manager. There is also a monitoring function through the line management structure of the Authority including the MFFP Conservation and Land Management Programme Manager, Head of Programme Delivery and the Director of Conservation and Planning. The Project Manager is responsible for monitoring the budget but this is overseen by the MFFP Programme Office Manager working closely with the PDNPA Chief Finance Officer.

Sustainability

The proposed project aims to deliver avoided carbon losses which is the primary function of the Defra grant, but the process of revegetating bare and eroding peat will also deliver significant multiple benefits with regard to ecosystem services.

In addition to the avoided loss of carbon the works will also ultimately result in carbon sequestration over a wide area. Additionally this project can also be expected to deliver benefits to water quality and Natural Flood Management, associated with improved hydrological integrity over the areas of restoration.

Placing this within the context of the NPMP (2012-17) the ability of this project to deliver the environmental benefits highlighted, places this project directly in line with Action DL3.4.1

8. Background papers (not previously published) – None

Appendices –

1. Form of Application
2. National Park Management Plan Objectives met through the project
3. Cash Flow Forecast
4. Project working area map

Report Author,

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Moors for the Future Partnership, 11 January 2017