

9. AMP 7 2020-24 WORKS (MS-C)

1. Purpose of the report

This report puts before Committee the proposal to extend vital peatland restoration works in the Dark Peak and South Pennines working directly with Moors for the Future Partnership's Water Company partners through Asset Management Period 7 (AMP7) between 2020 -2024.

Key Issues

Moors for the Future Partnership (MFFP), through the Peak District National Park Authority and its partners, have over 16 years led and delivered landscape scale peatland restoration on the most degraded upland landscape in Europe. In this the Partnership has been successful in attracting a large amount of investment (circa £40m) into the landscape from a variety of sources, and through its expertise and collaborative approach has brought about a landscape scale change in the condition of the region's peatlands.

The state of Peak District peatlands requires more investment

Even in acknowledgement of the significant achievements of the Partnership, it is vital to recognise that there remains a need for further investment into the landscape to bring the peatland habitats into favourable condition (Active Blanket Bog). Despite now being on a positive trajectory towards this aspiration by virtue of the works completed to date, evidence shows that without further intervention, this impressive feat is only temporary and there is a real danger that it will revert back to its previous state. Further work is now urgently needed to build on the achievements made thus far.

Water Company Asset Management Plan 7 (AMP 7): Development of further conservation proposals beyond the achievements of AMP 6 with Water Company partners

By the 2020/21 financial year MFFP will have completed its work with the Water Companies delivering conservation actions through the AMP 6 period as part of the MoorLIFE 2020 project. During the last quarter of 2019/20 collaborative work has been ongoing with partners to scope out further conservation works proposed to be delivered by MFFP in AMP 7. With the approval of this Committee it is anticipated that contracts for this can be in place by April 2020 with Severn Trent Water and Yorkshire Water for working together until 2024, specifically in the Upper Derwent Catchment. Project development dialogue is ongoing at the time of writing with Severn Trent, Yorkshire Water and United Utilities about their AMP 7 commitments.

Due to the Partnership not bidding to the EU for further LIFE funding, conservation works in AMP 7 with Water Company partners are proposed to be delivered directly between MFFP (PDNPA) and individual Water Companies, rather than as being used as match funding as successfully delivered in AMP 5 (MoorLIFE) and AMP 6 (MoorLIFE 2020).

The proposal to deliver further vital restoration work with Water Companies in AMP 7 is in line with the objectives set out in the MFFP 2020/21 Operational Plan and fits into the bigger vision of delivering both the National Park Management Plan 2018-23; outcomes and Key Performance Indicators of the 2019-24 Corporate Strategy - whilst taking into account the requirements of the Moors for the Future Partnership partner organisations. The projects within

the Operational Plan are funded by, and involve, 24 important partners and private landowners. Working through AMP 7 in this way will give the Authority good engagement opportunities with key partners who have significant influence over the management of the moorland landscape.

MFFP Programme Management continually builds and develops succession within our programme of projects to consistently build on the recovery of the habitats. This is achieved by matching the available sources of funding with Partnership and National Park Authority outcomes over a huge working area. Securing further investment into the landscape through continuing our work with Water Company partners is vital to ensuring this continues at pace in the face of the Climate Emergency. This also offers the Partnership a further valuable opportunity to restore Blanket Bog Habitats at a landscape scale and achieve multiple beneficial ecosystem service outcomes.

While our initial focus is on repairing and revegetating bare peat, we also want to continue working with our partners on landscape scale solutions to other issues that will increase Ecosystems Service benefits and Natural Capital, and protect and enhance biodiversity. The Partnership and the programmes we operate are intergenerational; our objective is to return the moors and catchments of the Peak District and South Pennines to sustainable condition. To achieve this we have continued to seek support from our Water Company partners and Government through the Price Review process (PR19 and PR24) to continue to restore this vital resource. This has included producing 'Our Plan for water in the upper catchments of the South Pennines until 2030' This document set out the Partnerships plans for protecting the uplands through the 2019 and 2024 price review process and was launched with our partners at a House of Commons reception in 2018.

Anticipated AMP 7 Project Value 2020-24

Based on the Water Company Catchment Measure Specification requirements the anticipated maximum value of this project between 2020-24 is up to £3m. This sum includes capital works costs, and MFFP project management and delivery costs to include all monitoring and communications activities. Prior to confirmation of contracts MFFP will agree specific Capital Project Delivery and Project Management budgets with our partners working on a full cost recovery basis.

2. Recommendation

That the Programmes and Resources Committee supports the proposed establishment of partnering agreements and associated contracts between the National Park Authority and Water Company partners for MFFP to deliver AMP 7 habitat restoration aspirations (capital works) and associated research and communications outcomes.

Specifically:

- 1) Authority to engage in new projects up to a maximum value of £3 million between 2020-2024, and delegating authority to approve the acceptance of new partnering agreements with the Water Company partners under this authority to the Director of Conservation and Planning, in consultation with the Head of Law and in agreement with the Chief Finance Officer.**

- 2) That the Authority may, subject to compliance with its procurement standing orders, enter into contracts for the delivery of the AMP 7 projects.**

How does this contribute to our policies and legal obligations?

The strategic fit of the AMP 7 work is fully integrated within the MFFP 20/21 Operational and the MFFP 2020 – 2025 Business Plan and is relevant to the Peak District National Park Management Plan Vision and covers many aspects which will support the delivery aims of the National Park Management Plan 2018-23, specifically:

Special quality 1: Beautiful views created by contrasting landscapes and dramatic geology

Special quality 2: Internationally important and locally distinctive wildlife and habitats

Special quality 3: Undeveloped places of tranquillity and dark night skies within reach of millions

Special quality 4: Landscapes that tell a story of thousands of years of people, farming and industry

Special quality 6: An inspiring space for escape, adventure, discovery and quiet reflection

Special quality 7: Vital benefits for millions of people that flow beyond the landscape boundary

Areas of impact:

- 1: Preparing for a future climate
- 2: Ensuring a future for farming and land management
- 3: Managing landscape conservation on a big scale
- 4: A National Park for everyone
- 5: Encouraging enjoyment with understanding
- 6: Supporting thriving and sustainable communities and economy

In addition the AMP 7 work will support and contribute significantly to the National Park's Corporate Strategy 2019-24 by contributing towards key outcomes including: A Sustainable Landscape that is conserved and enhanced (specifically KPI 3 & 4), A National Park loved and supported by diverse audiences, and Thriving and sustainable communities that are part of this special place.

The proposed engagement with water company partners in AMP 7 will also contribute significantly to the outcomes of other partner organisations within MFFP.

Background Information

Why is more investment into the Peatlands of the Peak District required?

At the start of the Partnership's operational history the principal area of focus in our work was to revegetate vast areas of bare and eroding peat damaged by

atmospheric pollution after industrialisation, and exacerbated by other interacting drivers of degradation.

Accordingly, funding and projects have necessarily focused on addressing bare peat and the damaged hydrology of the peatlands, in which there have been great achievements with significant multiple benefits for the habitats in terms of condition, whilst also benefiting a range of ecosystem services.

The revegetation achieved to date, however, only goes so far towards the aspiration of returning 'active peat forming' condition (known as State 6) to the region's blanket bog habitats (at scale). It is therefore necessary to continue the investment to ensure habitat recovery remains on a positive trajectory, and progresses as quickly as possible.

Following initial interventions at a landscape scale, bare, drained and eroding peatlands have been revegetated and significant areas have been re-wet through gully blocking in erosional channels. Building on this, recent project work has also developed to the stage of re-introducing (planting) sphagnum mosses in areas where recovery has been sufficient to provide the necessary conditions for sphagnum to thrive. Projects like the EU Funded MoorLIFE 2020 and the HLS funded works delivered through Private Lands Portfolio amongst others, have planted significant amounts of sphagnum plug plants which are establishing well. These represent an essential milestone in returning blanket bogs to peat forming condition but more hydrological restoration and sphagnum planting is still required.

Having addressed the worst bare and eroding peat the next phases of the recovery work must focus on improving the hydrological integrity of the peatlands and a continuance of the landscape-scale plug planting with sphagnum mosses (species diversification).

Project Succession Planning

As previously highlighted MFFP Programme Management continually builds and develops succession within our programme of projects to consistently build on the recovery of the habitat and our three objectives. This is achieved by matching the available sources of funding with the restoration needs of the habitats, and the Partnership's and National Park Authority's outcomes over a huge working area.

In MFFP's recent project history EU LIFE funding has played a vital role in our ability to deliver the scale of achievements that have been made. A vital funding component of which has been Water Company capital investments which we have been able to use as match funding. This has unlocked for us the large grants secured by MFFP in MoorLIFE and MoorLIFE 2020.

With the UK's exit from the European Union the EU LIFE funding stream has been deemed to no longer be a strong fit within the Programme's future funding aspirations, and we therefore will not be making any further applications to this fund. MFFP will therefore not be using Water Company capital as match funds for grant applications at this time. Following engagement with our Water Company partners we propose to establish a direct Partnering relationship with them to deliver their habitat restoration objectives which are directly aligned with those of MFFP and the Authority.

MFFP have a well-established project delivery relationship with our Water Company Partners in Severn Trent Water, Yorkshire Water and United Utilities. During AMP 5 and AMP 6 MFFP have successfully delivered the Catchment Measure Specifications agreed between the Water Companies and the

Environment Agency, and we have built up an effective delivery approach and have considerable experience of the restoration requirements. This places the Partnership in a unique and ideal position to continue working in this way with Water Companies in AMP 7.

AMP 7 will be the first AMP period in which we will not use the Water Company capital budgets as match funding against a major structural grant bid as a result of not bidding for further EU LIFE funding. MFFP are however, confident that through the lifespan of the AMP 7 project (2020-24) there will be opportunities to develop further complimentary funding to add value to AMP 7 works, and this will be a firm part of our approach in bidding for future projects. Water Company partners have acknowledged that their funds will not be used as match funding at this stage, and have expressed a clear wish to engage directly with MFFP to deliver their AMP 7 Catchment Measure Specifications on their behalf. They have also indicated that they would be content in principle for their capital to be used as match funding on future funding bids as suitable opportunities arise.

Programme Management

There are typically around 20 projects being delivered at any one time, delivering MFFP's three objectives of Communications and Engagement, Research and Monitoring and Conservation and Land Management. The 2020/21 financial year will be the final delivery year of a number of these projects and the restoration opportunities presented by continuing our collaboration with Water Company partners is a valuable project succession opportunity to secure at this stage, as we develop future (post-Brexit) project funding to continue the work of the partnership.

Working with Water Companies as proposed through a direct Partnering Agreement relationship in AMP 7 has been assessed against our ongoing programme commitments, and as at February 2020 there is sufficient capacity within the programme to integrate the additional capital works, monitoring and communications objectives within our existing resource levels. Project Management will be resourced from MFFP's existing Prince 2 qualified Project Managers all of which have experience of delivering capital works projects on degraded peatlands. Project Managers will resource the project from MFFP's existing Conservation, Research and Communications Officer resources. The core MFFP Programme Team will provide overall project leadership and support for the delivery of the project.

In line with the MFFP 2020/21 Operational Plan, delivering for our Water Company partners in AMP 7 will also bring further contribution to core funding for the MFFP Programme team. This is in line with our forward strategy to generate a higher proportion of core funding from project sources as part of the solution to addressing the MFFP core funding deficit. To achieve this MFFP are therefore exploring additional projects with partners, and responding to calls for potential work and proactively seeking financial resources with current and future partners, including maximising match funding opportunities.

Conservation and Land Management

The Conservation works proposals to be delivered in the AMP 7 period will be developed through an iterative process working with Water Company partners and will be specifically tailored to meet, and where possible exceed, their specific KPI requirements that have been agreed between the Water Companies and the EA/OFWAT.

In AMP 7 there is a strong focus on biodiversity within the KPI setting and it is

anticipated that much of the capital works will be directed at large scale species diversification (sphagnum). The work will also be developed in consultation with the National Trust, in particular in the Upper Derwent where they own most of the land. At this stage we have developed an indicative/draft plan from which to refine the exact interventions collaboratively as we progress through the AMP period. There is a fantastic opportunity to dovetail with the end of the ML2020 works picking up where this project left off, and this approach represents a strong successional plan to continuing the work and building on the achievements to date in the Upper Derwent.

Research and Monitoring

Through engaging with AMP7 we will also have the opportunity to continue to develop our expertise in the sustainable management and restoration of moorlands, monitoring the outcomes of our restoration work, and taking an active lead in research and development in this field of conservation. We have defined a bespoke suite of monitoring to enable the evidencing of the restoration targets in AMP 7. This also provides MFFP and partners with the opportunity to focus on the ecosystem benefits delivered by peatland restoration, such as natural flood management, water quality, biodiversity, and carbon sequestration and share and disseminate this information at a national level. This will contribute to maintaining MFFP's and the Authorities position as a leaders within the peatland restoration community in the UK.

Communications and Engagement

Working through AMP 7, we will continue a programme of face to face engagement for urban and rural communities, land managers and partner organisations to inform and educate people about the important benefits of the uplands. MFFP will agreed a programme of communications and engagement which will be integrated within the Programme's wider communications activities, which will add value to this area of our work over the next 5 years.

Water Company partners have identified their wish to communicate a compelling message to their customer base about the value of healthy peatlands and showcase the excellent achievements being made through the AMP process. Through MFFP's integrated approach to project delivery we will support our Partners to do this and reach key audiences in the communities surrounding the peatlands of the Dark Peak and South Pennines.

Proposals

As the AMP 7 proposed works will constitute a new project for MFFP (not being linked to other MFFP grant funding applications). The proposal is brought to committee for consideration and approval as a defined project to be incorporated into the MFFP forward Programme of Projects. As per the approach to new projects set out in the 2020/21 Operational Plan (in which the AMP 7 work is highlighted), this project proposal is made as an individual report to Committee to gain authority as a new initiative to meet Standing Orders.

The process for confirming contracts for AMP 7 if Authority is granted will be as follows:

- **Resource Management Meeting in February 2020:** The AMP 7 proposals are Presented for comments and approval to progress to Committee.

- **Audit Resources and Performance Committee in March 2020**
AMP 7 Proposals put to Committee for approval.
 - **Confirmation of Partnering Agreements and associated Contracts by 31 March 2020:**
Upon Authority approval, recommendations for delegated approval to accept new contracts with water companies will be made by MFFP and upon acceptance finalised for project start up in April 2020.
3. **Are there any corporate implications members should be concerned about?**

Financial:

The resources available to develop and agree the agreements for working with water companies in AMP 7 are those of the existing MFFP staff team with welcome advice from senior officers. No additional resources will be required.

Prior to gaining delegated authority the project cost models will be baselined and spending and income forecast. This information will be provided to National Park Authority officers with delegated authority to accept new projects in tandem with MFFP recommendations.

The AMP7 can be expected to provide project funding income to support core MFFP activities over the 2020-24 period. This is in line with the intention set out in the 2020/21 Operational Plan for projects to generate additional funds to support core MFFP programme activities.

The Partnership has a history of sound financial management, income control (including draw down of funding and claims) is of great importance and overseen by the Programme Office Manager. Regular updates are held with the Chief Finance Officer with monitoring of cash flow to ensure the 'books' are balanced.

Risk Management:

The AMP 7 proposals are an integral part of the 2020/21 Operational Plan and MFFP 2020-25 Business Plan, as such the Project Management risks once in delivery will be adequately managed as part of MFFP's programme risk management activities.

Risks, Issues and Dependencies of the programme of projects are monitored weekly and reviewed quarterly alongside the Programme Progress Log.

Our health & safety log is reviewed weekly.

Appendix 1 (provided) outlines the AMP 7 project risks being managed through the developmental stages of this project, and the high level delivery risks that are anticipated at this stage.

Project Managers update their project logs weekly and report via the weekly

programme status update meetings with in-depth updates held monthly.

We produce a Programme Progress Log four times a year which identifies approvals and financial values of projects - with issues identified through a Red/Amber/Green assessment - and includes brief summaries of progress highlights. Income and Expenditure of projects and programme team are also monitored by the Partnership's Strategic Management Group at its quarterly meetings.

Sustainability:

From a business sustainability perspective, this proposal fits within the context of the Moors for the Future Partnership interim Business Plan 2020-2021 (under development at the time of writing). Undertaking additional projects for our partners, building on work which is already being done, is a key part of our business model and has allowed immense improvements to the landscape and conservation of the Dark Peak and beyond. Creating synergies between projects is a key component of the sustainability of the Moors for the Future programme.

Protection of the peatlands of our core work area is a key part of protecting land based carbon, which internationally has the potential to have a huge impact on climate change. In addition, the ecosystem service benefits of our blanket peat work is well known, reducing the risk of flooding, improving water quality and improving the landscape, so highly valued for recreation.

The revegetation and conservation of peatlands is a vital role in reducing erosion, enhancing the quality of the landscape and transforming a source of carbon into a carbon sink. Our work, to date, has avoided the loss of circa 62,000 tonnes avoided loss per annum of CO².

In addition, the moorland fires and drought conditions have shown how the upland landscape needs to be in the best ecological condition to withstand the shocks and stresses of a changing climate in order to deliver positive benefits for the downhill, downstream and downwind communities in places such as Manchester.

By revegetating the areas of damaged blanket bogs, we aim to:

- halt the erosion of peat from the moors
- reduce the loss of carbon
- increase the amount of carbon absorption
- turn the damaged carbon sources back into carbon sinks

4. Equality

There are no equality issues arising from this report.

5. Background papers (not previously published)

None

6. Appendices

Appendix 1: MFFP AMP 7 Risk Log

Report Author, Job Title and Publication Date

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