

7. MOORS FOR THE FUTURE PARTNERSHIP ENVIRONMENT AGENCY NATURAL FLOOD MANAGEMENT CAPITAL DELIVERY 2022-2030

1. Purpose of the report

This report puts before Programmes and Resources Committee the proposal to extend vital peatland restoration works in the Dark Peak, South and West Pennines working through Environment Agency (EA) funding through the Accelerated Flood Defence Funding route. This funding is part of the government's plan to better protect 336,000 homes from flooding as part of a package of £5.2 billion of investment to 2027. Of this funding £200m is being made available for innovative projects including Nature Based Solutions which will also boost nature and wildlife.

The funding to be made available under this proposal from the EA will see part of this investment being put into action following the pioneering approach taken to the scheme development, being delivered through the Peak District National Park Authority by the Moors for the Future Partnership between 2022 -2024. This work will be at a cross regional level at a landscape scale, and represents a far sighted approach for our partners at the EA in taking a multi-regional approach to allocating funding for nature based solution priorities.

Background Information

With the evident impacts of climate change, the issue of flooding is a high priority in society and for our partners at the Environment Agency. Increasingly, trends show that high magnitude rainfall events are happening more frequently, whereas 1 in 100 or 1 in 50, or 1 in 20 year storms can now be seen to occur in much shorter return periods, sometimes even occurring multiple times within the space of just a few years.

The Environment Agency is responsible for directing flood defence action to reduce and counter the impacts of flooding primarily through its Flood Defence Grant in Aid (FDGiA) budgets. These funds though large, have to be prioritised and allocated on a cost benefit basis to those areas of greatest need, and are commonly used in engineered flood defence solutions. These funds are not sufficient to address all the flood risks nationally and schemes under these funds have historically been allocated on a 1:8 return on investment basis in terms of cost benefit. Accordingly, this means there are many smaller communities that are at risk of flooding and that do not qualify for traditional flood defence schemes, and therefore remain at risk without proactive mitigation that addresses the issue from a hydrological perspective. The Agency is acutely aware of the need to mitigate flood risks where ever these exist, having a clear understanding through their work in support of affected communities of the devastating impacts that flooding has on both the life of a community and that of individuals. Accordingly, the EA is proactively seeking ways to mitigate flood risk in communities that do not qualify for FDGiA funding, and looking towards the huge potential for catchment/nature-based solutions to significantly lower the risk of flooding in these communities.

The EA have been involved in the Moors for the Future Partnership for nearly two decades during which time they have championed, supported and funded the work of the partnership. This working history has also through our Science and Research work also been evidencing the multiple benefits of healthy peatlands and the positive benefits and ecosystem services that result from restoration intervention. Over the years the evidence base for the Natural Flood Management (NFM) benefits of peatland restoration has been steadily developing, with numerous papers published by MFFP on the topic, starting with our Making Space for Water project right up to the present, with our support of the PROTECT-NFM project being run by our partners at University of Manchester. All evidence shows that taking action to restore peatlands produces a NFM benefit by slowing water during and after rain events in the wider catchments.

Owing to the damaging flooding seen in recent years and the level of public need for action, the government is seeking to accelerate flood defence/mitigation work as highlighted in the introduction to this report. They are doing this in the near term with a specific fund

(Accelerated Fund) that sits to one side of the FDGiA budgets with a view to expediting the procurement of shovel-ready opportunities to achieve real flood mitigation benefit for communities at risk. Including, but not limited to innovative and nature based solutions. This fund is running in tandem with ongoing FDGiA work, but is procured through a different route with adapted eligibility criteria to enable projects to move at an accelerated pace towards solutions that will bring tangible multiple benefits including NFM.

Key Issues

Following the announcement of the Accelerated funding being made available our partners at the EA approached the MFFP team in summer 2020 to propose the collaborative development of an NFM relevant peatland restoration project pipeline that, the EA could seek to fund through the Accelerated funding route. This was specifically to target achieving NFM benefits for the known communities at risk of flooding across three major EA regional areas that cover the Peak District South and West Pennines, including the East Midlands, Greater Manchester and Yorkshire EA areas. All of which contain communities that are unable to qualify for flood defence schemes, but which have large areas of degraded peatlands within the upper catchments that affect them.

Following the success of our EA funded NFM schemes on Stalybridge in 2020, and Redvales and Radcliffe in 2021. A natural successor project was developed by MFFP with EA building on the learnings from these projects, under a collaborative agreement to undertake NFM Opportunity Mapping across the Peak District, South and West Pennines. This work has recently completed in early 2022, and we arrive now at the point of having developed a viable pipeline of NFM relevant peatland restoration that in addition to the intrinsic benefits to nature, will also have cost beneficial impacts to known communities at risk of flooding across the three EA regions highlighted.

This report then seeks to build on the NFM Opportunity Mapping work and establish a new project authority for continuing to work with the EA, and bring the pipeline of NFM relevant peatland restoration projects we have developed online and into active delivery. The collaborative work with the EA to date on this has taken an innovative and pioneering approach to identifying peatland restoration needs, where our analysis has shown that peatland restoration will also have a beneficial impact to communities at risk of flooding. This, in addition to a wide range of other ecosystem service benefits (see Appendix 1 & 2).

Our Opportunity Mapping analysis has successfully identified and prioritised a pipeline of cost beneficial schemes from the EA perspective that both EA and MFFP would like to progress to delivery between 2022-24 (on a full cost recovery basis), and realise the benefits for the landscape and those communities known to remain at risk of flooding. Additionally, no match funding is required but these funds could offer valuable future match potential with other funds that may become available. The Accelerated Flood Defence funding provides the Authority and the EA with a significant opportunity to direct further investment into the landscape to restore nature, and in so doing, achieve a strong outcomes focus on restoring the peatlands, whilst also providing targeted benefit to known communities at risk of flooding. This proposed further engagement with the EA is a firm part of the business development plans set out in the current Moors for the Future Partnership Operational and Business plans.

Working with the EA to improve access to flood defence funding for NFM based solutions 2022-30

In addition to bringing the NFM peatland restoration pipeline that has been developed into delivery between 2022 and 2024. This report also seeks approval to extend the period of engagement with the EA beyond the currently anticipated end point of the shovel-ready pipeline (2024) up to 2030. This is because through this project and others within the MFFP forward programme we will continue to collaboratively develop the evidence base around the NFM benefits of peatland restoration, with a view to securing/accessing further EA funding in

the future.

As described in this report, the present funding available is linked to an accelerated fund made available to specifically expedite shovel-ready projects. This is after the acknowledgement that this route is specifically fast-tracked in respect to the EA procurement method to facilitate fast progress for NFM outcomes. By comparison the FDGiA funding is likely to remain primarily focused on engineered solutions due to the required return on investment profiles (1:8) for new schemes in terms of cost benefit. The achievement of this minimum ratio is objectively more straight forward to evidence in the development of an engineered place based solution in a traditional flood defence project context. As compared to a nature/catchment based solution which involves multiple low level interventions spread out across wide areas of catchment. Therefore the present paradigm is that traditional schemes are far more likely to be progressed through this funding route. Catchment/nature based interventions do form a part of all EA major schemes, but these are not currently on the same footing in terms of demonstrating the return on investment levels required, and thus typically do not form the principal focus of how these funds are used.

However, our colleagues at the EA are working on a route map to bring nature based solutions including peatland restoration more firmly within the scope and procurement route of the FDGiA funding through capturing the learnings and evidence to be gained through the development and delivery of NFM relevant projects. The prospect of achieving peatland restoration funding through the FDGiA funding route for multiple benefits could be very significant in terms of our work to create a resilient and healthy peatland landscape in the Peak District, South and West Pennines. This is because the funding potentially available within this route could manifest possible future investment into the peatland landscape at an order of magnitude beyond other forward funding routes that MFFP have visibility of as at the time of writing. As highlighted, the FDGiA funding budget in between 2021 -27 is £5.2 billion of which £200m is to be allocated to nature based solutions (circa 4%). If it was possible to secure a proportion of this into peatland restoration on the strength of the NFM benefits, this would allow the scale and pace of peatland recovery in the face of climate change to grow, and drastically shorten the time required to meet our vision of healthy and resilient uplands.

As at the time of writing it is not known what the timescales may be to realistically bring NFM and nature based solutions firmly within the scope the FDGiA funding, and we will be guided by our partners at the EA as to what the route and timeline to achieving this will be. With this authority we are seeking to remain firmly engaged with the EA over the medium term in this shared aspiration. With a project authority that is open to 2030 MFFP will be able to work iteratively with the EA and continue in our work to not only achieve vital peatland restoration work, but through the effective evidencing of the benefits demonstrated by successful projects, we will seek to proactively unlock future funding to secure the scale of investment that is still required in the peatland landscape.

Recommendations

That the Programme and Resources committee supports the establishment of a new project authority for MFFP to continue working collaboratively with the Environment Agency. Specifically in the development and delivery of peatland restoration work that by design will have Natural Flood Management benefits to many at risk communities across the Peak District, South and West Peninnes areas that fall within MFFP's core working area.

Specifically:

- **Approval of acceptance of up to £776,297 from the Environment Agency for preparatory work and capital delivery of NFM projects between 2022-24 with acceptance of collaborative agreements delegated to the Head of Moors for the Future Partnership in consultation with Head of Law and Chief Finance**

Officer;

- **Support for the further development of NFM relevant peatland projects to 2030 and the collaborative investigation of future funding routes to include the potential for accessing Flood Defence Grant in Aid Funding (FDGiA)**
- **Acceptance of subsequent related funding offers from EA up to £5m to 2030 delegated to the Head of Moors for the Future Partnership in consultation with the Head of Law and Chief Finance Officer;**
- **Acceptance of new partnering agreements to deliver the projects within the fund delegated to the Head of Moors for the Future Partnership in consultation with the Head of Law and Chief Finance Officer;**
- **The Authority may, subject to compliance with its procurement standing orders, enter into contracts in order to spend funds and deliver the required outcomes of the grant agreements.**

How does this contribute to our policies and legal obligations?

2. The proposed Environment Agency NFM project portfolio delivering NFM relevant peatland restoration work to 2030, is the anticipated and planned successor to the NFM Opportunity Mapping work completed in the 2021/22 financial year, and our collective NFM project and research activity since 2009. The purpose of the opportunity mapping as set out in the 21/22 Operational Plan and Interim Business Plan has been to create a pipeline of NFM relevant peatland restoration projects to work collaboratively on with the EA initially from 2022-24, with the strong potential for further EA NFM funding to become available from 2025-30. As such achieving peatland restoration through NFM related funding with the EA is a vital opportunity for the future financing of the urgently needed peatland restoration that is still required. Accordingly this is fully integrated within the forward MFFP Operational and Business planning objectives. By extension, it 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

3. 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

4. In addition the EA Natural Flood Management funding 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.
5. The proposed engagement with many partners will also contribute significantly to the outcomes of other partner organisations within MFFP.
6. It will add continuity to the Moors for the Future Partnership programme and will retain skilled and valuable staff who are key to achieving nature recovery across this degraded landscape.

Programme Management

7. MFFP Programme team continually review forward delivery capacity in terms of restoration, and it is important to highlight, that we will be looking to optimise the amount of funding we are able to attract into our programme (within our programme capacity), being mindful that this capacity is not unlimited and neither is the capacity of contractors or materials supply. All incoming funds must dovetail by design with our existing and pending commitments, and we achieve this by impacting all opportunities at the business development stages. In this report we are asking for a higher spending ceiling (circa £5m) than our present visibility of EA funding (circa £1m). This is after our dialogue with EA colleagues through our opportunity mapping work together has highlighted the longer term potential for significant future funding availability. Furthermore, our experience shows that there is a high likelihood of possible change within our partners funding availability as the programme develops, and having a pre-approved ceiling higher than initially required will enable MFFP to be agile in responding to quick turn-around opportunities to fund other vital aspects of restoration.
8. The 2022/23 financial year will be the final delivery year of a number of projects, including our flagship MoorLIFE 2020 project which will conclude in September 2022 when it is proposed that the capital elements of the NFM restoration projects would commence. As at the time of writing, in tandem with and linked to this proposal, MFFP will simultaneously be establishing elements of the preparatory work required for the capital delivery in 2022 under the existing ML2020 Partner Projects authority. This is an operationally focused action to enable us to begin the prep work from April/May thus providing sufficient time before autumn 2022 to do the detailed pre-delivery planning work. This will be staff time only and constitute £69,851 of the total £169,648 management costs associated with this work, of which the remaining £99,797 will sit within this authority as set out in Section 14 (MFFP pay £87,841 / £3,971 training & equipment / £7,985 travel & HEAs).
9. MFFP along with RMM are tracking delivery across the MFFP Programme for 2022/23 and beyond, tracking secured and developmental projects until 2025/26. Although there are a number of projects which are coming to an end this financial year, projects such as Moor Water which works with our Water Company Partners in the delivery of their AMP7 programme has a degree of flexibility as their delivery period runs until 2024/25. Going forward into 2022/23 the EA NFM project funding would form an important additional cornerstone to the partnership. This will support our restoration work in a transitional year where the structural project funding pillar provided by the ML2020 project ends.
10. MFFP have specifically assessed the staff resourcing implications of delivering the amount of NFM project work in 2022/23 and 2023/24, identifying where NFM project work can be dovetailed with our ongoing programme for cost and time efficiency in delivery. We are also recruiting for additional officers as at the time of writing in connection with our existing commitments. These additional resources will start in the team before the

capital delivery phase of this project, and facilitate the overall staff capacity required across the programme (including this project). We will keep staff resourcing under close rolling review throughout 2022/23 to ensure that we have the necessary resources in place to meet our commitments. A related factor in our resourcing plans is that a considerable amount of planning for this work has already been undertaken during the Opportunity Mapping projects as the precursor to the proposed capital delivery. As part of this our project identification and selection process with the EA has been fully impacted with the current and forward MFFP programme, and accordingly we have a high degree of confidence in our delivery plans, which dovetail and synergise with our existing commitments.

11. Within our wider programme aspirations for bidding for funds under the Nature for Climate funding route, we are working to specifically set income generation targets for the bidding that by design will keep MFFPs planned and expected project delivery (year on year) within workable limits. If we are successful in being able to secure Nature for Climate capital in addition to the EA NFM funding, and existing commitments we judge the total work for 2022/23 and 23/24 to be ambitious but achievable. We have a dedicated staff team committed to furthering the reach and impact of the MFFP programme, and a committed group of supportive partners who share our vision, and who can be called upon to provide support if necessary. As part of our ordinary contingency planning we will also stand at readiness to bring in any external assistance as may be required across our programme to ensure that targets are met. The core MFFP Programme Team will provide overall project leadership and support for the delivery of the NFM projects. The structure of the collaborative agreements to be established with the EA under this project authority will be similar to those we have worked on in recent years, which have been underpinned by truly collaborative working and mutual flexibility in the meeting of shared objectives. All work to be undertaken by MFFP will be on a full cost recovery basis, and no match funding is required.

12. In line with the MFFP 2021/22 Operational Plan, this project will be closely linked in delivery to other current and prospective MFFP projects. As such it will form an important next step in restoration with an emerging and highly relevant funding route that offers significant future potential for continued work at scale and with pace in the face of the climate emergency. It will also bring further contribution to core funding for the MFFP Programme team, for the NFM capital work (preparatory phase and delivery) this is estimated to be worth £2,648 over the life of the project (£534 in the preparatory phase to be covered by a separate existing project authority to allow sufficient time for the pre-delivery stage planning before autumn 2022 (as previously highlighted), and £2,113 within the capital delivery phase as per this proposal. 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.

Proposals and timescales

13. Following a successful delivery in 2021/22 of the NFM Opportunity Mapping project covering The EA East Midlands, Yorkshire and Greater Manchester regions, we have now developed a detailed understanding of areas of high priority area for peatland restoration that will have beneficial NFM impacts for communities at risk of flooding. These now form an effective pipeline for targeting future NFM relevant peatland restoration proposals, for which we are now seeking approval to accept funding for from the Environment Agency. This will initially be for the development and delivery of the present proposals from May 2022 to the end of the 2024 financial year. Beyond that we are also seeking approval for this project authority to run beyond the end of the initial

phase of delivery up to 2030. This is to allow MFFP to continue to engage with the emerging opportunities for funding peatland restoration with EA partners through NFM funding routes, this will be funded in part through MFFP core resources as a priority area for future business development, and will also seek to develop further collaborative working agreements with the EA iteratively in line with progress.

Timescales of activity

- Programmes and Resources Draft Report published 08 April 2022
- Programme and Resources Committee 29th April 2022
- Collaborative agreement with EA established for first phase of capital delivery in May/June 2022 for proposed capital delivery to 2024
- Delivery of first year of NFM relevant restoration winter 2022/23, with second planned capital delivery period in winter 2023/24.
- Business development and iterative project initiation under this authority with EA for further NFM relevant peatland restoration projects: ongoing 2022-2030.

We are in favour of proactively seeking further opportunities for peatland restoration looking to develop a full pipeline of projects from multiple funding routes, including with our partners at the EA as we continually progress. This authority to 2030 will form a part of that ongoing agile approach to restoring the peatland landscape.

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

Financial:

Financial breakdown for the NFM peatland restoration planning and delivery work (2022/23 – 23/24) with the Environment Agency detailing split by pay and non-pay by financial year:

EA Accelerated Flood Defence Funding	2022/23	2023/24	TOTAL ALL FY
Pay (of which)			
MFFP Pay (Contract staff)	£43,320	£42,408	£85,728
MFFP Pay (Core staff)	£1,579	£534	£2,113
<i>Of which is Corp O/H</i>	£5,899	£5,642	£11,541
Sub-Total	£44,899	£42,942	£87,841
Non-pay (of which)			
Capital Works Delivery	£400,000	£276,500	£676,500
Clothing, Training & IT equipment	£2,030	£1,941	£3,971
Travel & Historic Environment Assessment fees (HEAs)	£4,081	£3,904	£7,985
Sub-Total	£406,111	£282,345	£688,456
TOTAL	£451,010	£325,287	£776,297

15. No additional resources will be required from the Authority and the services provided to the partnership by the Authority in delivering this project will be paid for through the corporate overheads on the staff employed.

16. Prior to gaining delegated authority, the project cost models will be baselined and spending and income forecast. This information will be provided to PDNPA officers with delegated authority to accept new projects in tandem with MFFP recommendations. This will also feed into the metrics of the MFFP Programme Tracker which is presented at each of the PDNPA senior officers Resource Management Meetings.
17. All phases of the project are expected to provide project funding income to support core MFFP activities over the 2022-24 period initially. This is in line with the intention set out in the 2021/22 Operational Plan for projects to generate additional funds to support core MFFP programme activities. It is anticipated that the proposed preparatory stage work and capital delivery projects will provide £2,648.54 towards Core costs for project specific activity in 22/22-22/24.
18. 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:

19. Within the Project Team and Programme Team are an array of skills and experience to match large commercial providers. Prince 2 project management and in house project tool kit provision with Project Managers experienced now in large scale complex delivery. Added to this IOSH and CDM qualified staff and contract and grant management skills. Backed up through the high degree of diligence which the Authorities Standing Orders provide. All this gives a deal of risk reduction and confidence.
20. The proposals are an integral part of the 2022/23 Operational Plan and MFFP 2022/23 Business Plan, as such the Project Management risks once in delivery will be adequately managed as part of MFFP's programme risk management activities.
21. Risks, Issues and Dependencies of the programme of projects are monitored weekly and reviewed quarterly alongside the Programme Progress Log.
22. Our health & safety log is reviewed weekly.
23. Project Managers update their project logs weekly and report via the weekly programme status update meetings with in-depth updates held monthly.
24. 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:

25. From a business sustainability perspective, this proposal fits within the context of the Moors for the Future Partnership interim Business Plans 22/23. 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 synergy and succession between projects is a key component of the sustainability of the Moors for the Future programme.

26. Capacity requirements to maintain business sustainability impacts on the Partnership in two forms. These can loosely be described as pre and post-contractual commitment. This report is careful to confirm that the capacity is fully considered and planned for in order to execute the contractual commitment, which will arise for the delivery planned for 2022-24. The first priority of the staff team is to ensure that this is always the case. All projects are planned and then monitored to ensure full cost recovery can be achieved. The staff establishment is increased and decreased to achieve this and resource is built in at project inception for this purpose, as is the case laid out in this report for this particular project.

27. The sustainability of pre-contractual business development work is becoming more difficult to achieve. This opportunity has been built collaboratively between MFFP and the EA through 2020 and 2021 working closely together on the NFM opportunity mapping work described as the origins of this proposal. This amounts to funded business development work for MFFP that represents a sustainable example of how to develop forward pipelines of restoration on a full cost recovery basis, but that also meets clear needs within our Partners priorities. This is a good example of effective collaboration with a mutual understanding of how to develop viable forward programmes with deliverability and outcomes firmly at the centre of things. This approach is important as a future model because of reducing core contributions across the partnership, this funds the Programme Team, responsible for making business development happen. Had the pipeline of delivery now proposed been funded through core funds in a pre-contractual business development way MFFP would have needed to allocate circa £50k to doing the work necessary to develop the proposals to the degree required, and undertaken this activity in the margins of delivering on our existing commitments on behalf of the partnership. This would not have been possible and we would have missed the opportunity to secure £676k capital for peatland restoration under the present NFM project proposals alone. The Head of MFFP will be speaking to our partners through the Strategic Management Board over the coming months to better support business development and other work using this approach as a positive model for effective business development for the Partnership.

Equality, Diversity and Inclusion

28. There are no equality issues arising from this report.

29. Background papers (not previously published)

None

30. Appendices

Appendix 1 – Peatland Restoration

Appendix 2 – Natural Flood Management Opportunity Mapping Context

Report Author, Job Title and Publication Date

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Moors for the Future Partnership – 21st April 2022