

## **7. AMP 8 2025-30 LANDSCAPE SCALE PEATLAND RESTORATION (MFFP PROGRAMME TEAM)**

### **1. Purpose of the report**

This report proposes to the Committee that the Peak District National Park Authority enters into agreements with the water companies Severn Trent Water, United Utilities and Yorkshire Water, for them to fund the Moors for the Future Partnership (MFFP) to carry out peatland restoration activities through Asset Management Period 8 (AMP8), 2025-30. This continues the well-established and successful precedent of working with the water companies in this manner through AMP7 (2020-25). The total anticipated level of water company funding for AMP8 is approximately £15m. Restoration activities will take place through the Dark Peak and the South Pennines, of which the former will contribute substantially towards the Authority's KPIs at no net cost to the Authority.

This follows previous approvals from committee giving delegated function to the Partnership manager for working with the Environment Agency and our Strategic Advisory Board Partners. This will create further match funding which we hope will bring a minimum of another £5m to add to the AMP8 opportunity.

#### ***Key Issues***

The upland landscapes of the Dark Peak and South Pennines were severely degraded by decades of industrial pollution, wildfires and other adverse impacts. This led to loss of habitat and erosion, with consequent carbon emissions, water quality issues, “flashy” catchments prone to flooding, and poor biodiversity.

MFFP has a 20+ year track record in blending public and private financing to deliver over £50m worth of moorland restoration activities, including capital works, research and monitoring, and public engagement. Huge gains have been made in stabilising erosion, re-vegetation, hydrological restoration and natural flood management across our area of operations. Our activities have placed many areas on a positive trajectory towards recovery.

However, natural processes take time to fully restore. Until they do so, the moorland remains fragile and vulnerable to climate change, extreme weather and wildfires, with the potential to reverse some of the gains made. There is a strong case for further activity to consolidate and accelerate the pace of recovery, to bring sites and catchments into a more resilient state more quickly. On other areas, our work is at an earlier stage, and more is needed – urgently. In particular, we need to increase the pace of introduction of bog-building sphagnum species, for their carbon, hydrological and biodiversity benefits.

Our water company partners, recognising this, have funded MFFP's restoration activities through direct contractual arrangements through AMP7. They have expressed a clear wish to continue a similar arrangement through AMP8 in order to secure biodiverse and resilient catchments. MFFP has been highly active in scoping out a pipeline of forward peatland restoration to 2030. This has set the Authority into a strong position to continue peatland restoration at scale. During 2024, collaborative work will continue with partners to refine plans for AMP8.

**MFFP are seeking Authority approval early in 2024 to provide its officers with the ability to develop and negotiate contracts proactively and with confidence that Members in principle support this, taking the initiative and showing strong leadership with both water company partners and landowners.**

This work will be on a full cost recovery basis. The Authority will not be required to directly fund into any of this work. MFFP's corporate overhead contribution to the Authority will be fully integrated into the costs for our water company partners. This will secure and increase the corporate overhead income into the Authority to 2030, covering the vital enabling services with which the Authority underpins MFFP's programme. Achieving key outcomes for the PDNPA Management Plan at this level of cost-efficiency, whilst generating corporate overhead income, represents a significant value proposition for the Authority in the way it achieves its peatland-based outcomes/KPIs. No other collaboration approach can confidently deliver at this strategic scale to 2030 and the Authority's recognition of this at an early stage will assist MFFP officers to take the early initiative in securing this collaboration.

Based on the Water Company Catchment Measure Specification requirements the anticipated maximum value of this project between 2025-30 is up to £15m. 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 delivery and project management budgets with our partners working on a full cost recovery basis.

## 2. Recommendations

**That the Programmes and Resources Committee supports the proposed development and establishment of partnering agreements and associated contracts between PDNPA and Severn Trent Water, United Utilities and Yorkshire Water (Water Company partners) for MFFP to deliver AMP 8 habitat restoration aspirations (capital works) and associated research and communications outcomes.**

**Specifically:**

- 1) That the Authority will engage in new projects funded through the AMP8 programme up to a maximum value of £15 million between 2025-2030, and that acceptance of new contracts/agreements with water company partners under this authority is delegated to the Moors for the Future Partnership Manager (or the equivalent post for the time being managing the task), in consultation with the Monitoring Officer and the Finance Manager / Chief Finance Officer (or such other person appointed under Section 151 of the Local Government Act 1972).**
- 2) That 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 project.**

**How does this contribute to our policies and legal obligations?**

The strategic fit of the AMP 8 work is fully integrated within the MFFP 23/24 & 24/25 Operational and the MFFP 2023-30 Business Strategy, and will support the delivery aims of the National Park Management Plan 2023-28 - specifically:

Aim 1 (Climate Change)

- Objective 2: To sequester and store substantially more carbon while contributing to nature recovery
- Objective 3: To reverse damage to nature, biodiversity... caused by a changing climate

Aim 2 (Landscape and Nature Recovery)

- Objective 4: To be a place where nature recovers and biodiversity flourishes

- Objective 6: To protect and enhance the natural beauty of the Peak District National Park's contrasting and ever-evolving landscape

### **Background Information**

MFFP continually develops succession within our programme of projects by matching the available sources of funding with the restoration needs of the habitats, and the Partnership's and PDNPA's outcomes over a huge working area. We have successfully transitioned from significant EU LIFE funding which historically underpinned our programme delivery, to direct working arrangements with water companies which we have also used as match funding to secure Nature for Climate Grants. We have also secured significant investment from the Environment Agency to achieve natural flood management benefits to communities at risk of flooding. Furthermore, MFFP has led the way in developing a viable green financing model for peatland restoration with private finance.

In line with the Moors for the Future Partnership Business Strategy to 2030, this AMP8 proposal will bring further contribution to core funding for the MFFP Programme team in addition to delivering the material project benefits.

Conservation works proposals will be developed with water company partners and will be tailored to meet their KPIs, with a strong focus on water and biodiversity (as per the MFFP vision). We will continue to develop our expertise in the sustainable management and restoration of moorlands, through monitoring and bespoke research to feed into best practice and demonstrate achievement of outcomes. We will also continue a programme of face to face and online engagement for urban and rural communities, land managers and partner organisations to inform and educate people about the important benefits of the uplands.

### **Proposals**

As the AMP 8 proposed works will constitute a new project (related to, but not appropriately covered by other Committee approvals). The proposal is brought to committee for consideration and approval as a defined project to be incorporated into the MFFP Development and Delivery Plans. This project proposal is made as an individual report to Committee to gain approval as required by Standing Orders.

The process for confirming contracts for AMP 8 if Authority is granted will be:

- **Resource Management Meeting (RMM) probably in January 2024:** The AMP 8 proposals are presented to RMM to progress to Committee.
- **Programmes and Resources Committee on 26<sup>th</sup> January 2024:** AMP8 proposals put to Committee for approval.
- **Confirmation of Partnering Agreements and associated Contracts by 31 March 2025:** 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 2025.

### **3. Are there any corporate implications members should be concerned about?**

#### **Financial:**

No adverse implications. The existing MFFP staff team, with welcome advice from senior officers, have the resources to deliver this project.

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.

The AMP8 project can be expected to provide project funding income to support core MFFP activities over the 2025-30 period. This is in line with the intention set out in the Business Strategy previously approved by committee.

The expected out-line of income from this project would be;

- £15m from AMP8 programme

To provide context, we are also expecting to raise a further minimum of £5m matched to this from other partner funds (already approved by Committee)

In total, this is expected to fund;

- £14m of capital restoration works
- £6m wages to support the MFFP team
- Of this £6m will be £1m of Corporate Overhead to the Authority

There will be no financial input expected from the Authority.

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 Head of Finance/S151 Officer with monitoring of cash flow.

#### **Risk Management:**

Appendix 1 outlines the AMP8 project risks being managed through the developmental stages of this project, and the high-level delivery risks that are anticipated at this stage.

During delivery, risks, issues and dependencies of the programme of projects are monitored weekly and reviewed quarterly alongside the Programme Delivery Plan. Our health & safety log is reviewed weekly.

Project management will be resourced from MFFP's existing Prince 2 qualified Project Managers, all of whom have experience of delivering peatland restoration projects. The core MFFP Programme Team will provide overall project leadership and support for the delivery of the project.

#### **Sustainability:**

From a business sustainability perspective, this proposal fits within the context of the Moors for the Future Partnerships Business Strategy to 2030

The revegetation and conservation of peatlands plays 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 CO<sup>2</sup>.

This project will increase moorland resilience to withstand the shocks and stresses of a changing climate and deliver sustainable, positive benefits (water resilience, natural flood management and recreational) for the local and downstream communities.

#### **4. Equality**

There are no equality issues arising from this report.

#### **5. Background papers (not previously published)**

None

#### **6. Appendices**

- Appendix 1: MFFP AMP 8 Risk Log.
- Appendix 2: Moors for the Future Partnership Business Strategy. (previously approved by committee)

#### **Report Author, Job Title and Publication Date**

Matt Scott Campbell, Programme Manager: Conservation & Land Management.

Chris Dean, Partnership Manager.

Further drafting and editing by Deborah Shaw, Debra Wilson, Kate Morley, Tony Price, Steve Maynard. MFFP Programme Team.

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