

8. AMP 8 2025-30 LANDSCAPE SCALE PEATLAND RESTORATION (MOORS FOR THE FUTURE PARTNERSHIP)

1. Purpose

Approval is requested by Moors for the Future Partnership (**MFFP**) to enter into agreements with the water companies Severn Trent Water, United Utilities and Yorkshire Water and accept funding to carry out peatland restoration activities through Asset Management Period 8 (AMP8), 2025-30 (**the Project**).

Approval was given on 26 January 2024 by Programme and Resources Committee (**P&R**) (minute ref 6/24) to engage in business development activity with water company partners, and for the delivery of projects in the period 2025-30 with an anticipated budget of £15m. Following water industry budget setting for the AMP8 period by OFWAT (Water Services Regulation Authority) in December 2024 and subsequent discussions with the water companies in January/February, anticipated water company budgets are higher than expected (£20m). This is positive, and will allow for more habitat restoration within the period, and this proposal is accordingly returned to PDNPA Committee to seek further approvals to engage with the higher budget that is now expected.

This proposal is brought to Authority, rather than P&R where the further consideration of this proposal naturally rests for reasons of timescales to agree contracts with water company partners from the 1st April. This is to enable water company partners to have an agreed delivery mechanism (Moors for the Future Partnership) in place for their statutory AMP8 commitments to OFWAT from the start date of the AMP period. This will enable planning work to progress from the very start of the AMP period, and also ensure good continuity of funding for the Moors for the Future Partnership programme from the start of the 2025/26 financial year.

2. Context

- 2.1** P&R 6/24 approved that MFFP officers develop and negotiate contracts proactively and with confidence, allowing MFFP to take the initiative and show strong leadership with both water company partners and landowners.
- 2.2** In addition, P&R have also approved MFFP working with the Environment Agency and our Strategic Advisory Board Partners to (amongst other projects) create further match funding which we anticipate will bring a minimum of another £5m to add to the AMP8 opportunity (P&R minute 27/22).
- 2.3** This continues the well-established and successful precedent of working with the water companies in this manner through AMP5 2010-15, AMP6 2015-20 & AMP7 (2020-25). The total anticipated level of water company funding for AMP8 is £20m. Restoration activities will take place through the Dark Peak and the Southern Pennines, of which the former will contribute substantially towards the Authority's KPIs at no net cost to the Authority.
- 2.4** 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.
- 2.5** 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.

2.6 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.

2.7 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 2024/25, collaborative work has continued with water company partners to refine plans for AMP8.

3. Proposals

MFFP are seeking Authority approval to allow its officers to enter into negotiations to develop and secure contracts with water company partners to provide circa £20M (increased from previous P&R approval for £15M) for investment in restoration projects across the Dark Peak and Southern Pennines over the AMP 8 period. The period of the Project remains 2025-2030.

3.1 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 from 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 the MFFP 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 through P&R 6/24 enabled MFFP officers to take the early initiative in securing this collaboration.

3.2 Based on the Water Company Catchment Measure Specification requirements the value of these projects between 2025-30 is up to £20m. This sum includes capital works costs, MFFP project management and delivery costs and includes 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.

4. Recommendations

4.1 That the Authority supports the development and establishment of partnering agreements and associated contracts between PDNPA and Severn Trent Water, United Utilities and Yorkshire Water (Water Company partners) for the delivery of AMP 8 habitat restoration aspirations (capital works) and associated research and communications outcomes up to a maximum value of £20 million between 2025-2030. Approval of the terms of the funding from the Water Company partners is delegated to the to the Head of Assets and Enterprise 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).

4.2 That authority be delegated to the Authority Solicitor to enter into and determine the terms and conditions of the funding agreements for the Projects in the best interests of the Authority.

4.3 That the Authority may, subject to compliance with its procurement standing orders, enter into contracts for the delivery of the Project outcomes.

4.4 That the Projects be monitored by the Audit, Budget and Project Risk Management Group, or such other committee or group as may be appointed with this same remit.

5. Corporate Implications

a. Legal

Pursuant to section 65(5) of the Environment Act 1995, the Authority has power to do anything which is calculated to facilitate, or is conducive or incidental to the accomplishment of its statutory purposes. The Project falls within the Authority's statutory purposes. This power is subject to any express statutory or public law constraints, including compliance with the Procurement Act 2023 which would apply. In this event, a transparent, compliant procurement exercise must be undertaken in order to ensure any contract award is robust against legal challenge.

b. Financial

No adverse implications.

Prior to gaining delegated authority, programme 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 programme 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 these projects is;

- £20m from AMP8 programme

To provide context, we are also expecting to raise a further minimum of £5m matched to this from other partner funds (see para.2.2). A full and detailed costing for all projects will be defined prior to agreeing any commitments with partners. For illustrative purpose at

this level of funding the income to the Authority for Corporate Overheads (2025-30) from these projects will be in the region of £1.5m.

There will be no financial input necessary from the Authority. There will be regular planned income points on the projects which will all be on a full cost recovery basis. All project finances will be managed by MFFP Project Managers working closely with PDNPA Finance team colleagues and overseen by MFFP Programme Managers. All projects will be within the purview of the Audit, Budget and Project Risk Monitoring Group.

c. National Park Management Plan and Authority Plan

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

a. Risk Management

Perspective on programme delivery capacity: March 2025

The AMP8 period of delivery is expected to involve in the region of £4m capital delivery per year over 5 years. This is a high level of delivery and represents a growth in the annual MFFP programme delivery output. Since 2018 the MFFP programme capacity has been intentionally grown from circa £1-2m restoration per year in 2018/19 to £3.8 million in 2023/24. This growth has been incremental. This has been intentional and carefully managed, and has been achieved through detailed programme planning developing efficiencies and synergy between projects in terms of staff activity and capital delivery (including contractor capacity). Having moved through a period of growth on this scale, MFFP is confident in being able to deliver at the £4m capital delivery level per year. This represents a continuation of the growth of recent years and is within the programmes' tolerance with the pro-active management and mitigation actions we apply in our normal programme management approach.

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

During delivery, risks, issues and dependencies of the programme 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 programme leadership and support.

b. Net Zero

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 CO₂.

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.

6. Background papers (not previously published)

None

7. Appendices

Appendix 1: MFFP AMP 8 Risk Log.

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Matt Scott Campbell, MFFP Partnership Manager, 13/03/2025