



For Discussion

Title: Cairngorms Peatland ACTION Programme

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Purpose

This paper presents an update on the delivery of the CNPA's Peatland ACTION programme for 2022-23 and progress to date in 2023-24.

Recommendations

- a) The Performance Committee is asked to note the programme update

Strategic Background

1. The peatland programme will contribute to the delivery of the targets and priorities of NPPP4. It is also key for assisting in the implementation of the Heritage Horizon Cairngorms 2030 Programme, providing the majority of the Programme's planned match funding for the delivery phase commencing mid 2023 subject to bid approval. The programme is supporting the delivery of the Scottish Government's peatland restoration targets.

Performance Dashboard

Performance Measure for 2022/23	Rating	Commentary
Finance: maximise use of £2.962 million capital finance available in 2022/23 for peatland restoration	Green	Over the course of 2022/23 we returned a total of 900K to ScotGov as we forecast an underspend through the year. At end March we had committed £2.008mill in approved grants. Work on some projects continued up to and beyond the end of the financial year so there are still claims outstanding. On 12 th May £1.53mill had been paid out. The resource budget of £0.505mill was entirely spent.
Finance: impact on Cairngorms NPA budget management	Green	No wider unplanned demands currently made by programme on financial resources.



Performance Measure for 2022/23	Rating	Commentary
Area of restored peatland: 905 hectare target 2022/23 (Restoration Area)	Green	<p>Statistics are still being finalised but we currently estimate 1080ha of peatland have been brought in to restoration. This area exceeds target and the achievement of 1000ha+ is a notable milestone for CNPA.</p> <p>In total we worked on 15 projects across the Park in 2022/23. Five of those projects were carried over from 2021/22. Eleven were completed by end March. A further 2 were completed by end April with the areas restored in April being recorded as hectares against the 2023/24 target. Two projects have been deferred until later this year due to bird breeding constraints and a failed contract.</p>
Target for 2023/24: 1300ha	Amber	<p>There are 14 projects in the pipeline for 2023/24. If they are all delivered, this pipeline exceeds the target of 1300ha.</p> <p>Of the 14 projects, two are part of a multi-year program and already tendered and awarded with a contractor in place; 6 (totalling 618ha) are awarded, with contractors in place. And 8 are scoped and in development but not tendered or awarded yet.</p> <p>There are further agent-led projects in development which could potentially come into consideration later in the year.</p>
Programme risk profile	Amber	<p>Six of 14 projects have a contractor in place. Eight remain to be awarded or tendered and contractor interest remains to be seen.</p>
Future funding profile	Amber	<p>We have been allocated £3.63 mill capital budget in 2023/24. We estimate the cost of capital works in the programme for 2023/24 will be £2.9mill.</p>



Performance Measure for 2022/23	Rating	Commentary
		It is expected that the capital allocation will be sufficient to accommodate any price fluctuations affecting projects not yet tendered for.
Future delivery profile	Green	Landowners remain engaged with Peatland Action and we have a pipeline of projects beyond 2023/24. We have encouraged estates to consider developing agent-led projects with less input from Peatland Officers. This approach seems to be the best way to increase overall capacity. However, this is a change in the way we work and a new system will take time to fully develop.

Target for 2022/23

2. In 2022/23 we planned to deliver 905ha of peatland restoration (Restoration Area). We currently estimate we have brought 1080ha of peatland into restoration.

Target for 2023/24

3. The target for 2023/24 is 1300ha. Contracts for 618ha of restoration work across 6 projects have already been awarded but further projects in the pipeline. If all projects in the pipeline are delivered this year, the total restoration figure is expected to go beyond the target of 1300ha.

Finance and staffing

4. Financial support from Scottish Government was £3.47m in 2022/23. This comprised £2.962m capital funding and £0.505m resource funding. During the year we returned £900K to ScotGov. As of 31 March we have offered grant totalling £2.008m for projects in 2022/23 of which £1.53m has been claimed.
5. We have recruited a Trainee Project officer who started work in March and is already making a good contribution to the team. We now have a full team which



is working at capacity with each Peatland Officer responsible for 2-3 projects per year.

6. In order to scale up the peatland restoration programme towards an annual target of around 2000ha per year we need to increase private sector input to project supervision and project design. We have encouraged estates to consider developing restoration projects which are agent-led.

Land agents, private forest companies and specialist consultancies have all started to increase their peatland restoration expertise and we plan to work with them to help develop that resource. At this stage the finance driving agent-led projects still comes from Peatland Action, but green finance options may develop if and when the price of carbon rises.

7. Some contractors have expressed frustration with the tendering process. Tender applications via PCS require a considerable amount of work and contractors who are repeatedly unsuccessful become understandably frustrated.
8. Currently, we feel the number of projects we are considering is matched by contractor capacity. However, a contractor who is successful in tendering for the last contract we award may have applied unsuccessfully for around 10 previous contracts. This can put considerable strain on some relatively small companies and we are thinking of ways to make this process easier to manage the risk of losing contractor interest.
9. The 2021/2022 Azets Internal Audit of the peatland programme controls and processes identified nine improvement actions. One Grade 4 (Red) action, four Grade 3 (amber) actions and one Grade 2 (yellow) action have been implemented, and one Grade 3 (amber) has been assessed as not a priority and is not yet started. The remaining actions underway are:
 - a) A Service Level Agreement identifying the roles and responsibilities of CNPA, Peatland Action grant applicants and contractors. This is in its final draft.



- b) A management framework outlining all controls, processes and documentation from pre-application to project closure is under review. This is a significant, complex piece of work that will extend throughout 2023.

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12th May 2023