



For Discussion

Title: Cairngorms Peatland ACTION Programme

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Purpose

This paper presents an update on the delivery of the Cairngorms National Park Authority's Peatland ACTION programme 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 National Park Partnership Plan 4. 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 2023/24	Rating	Commentary
Finance: maximise use of £3.63m capital finance available in 2023/24 for peatland restoration	Green	Spend profile is currently on-track.
Finance: impact on Cairngorms National Park Authority budget management	Green	No wider unplanned demands currently made by programme on financial resources.
Restoration target 2023/24: 1300ha Restoration Area	Amber	To the end of July, 204ha of restoration work is complete, 530 ha is underway, 365ha of work is scheduled to start in August 2023, and project designs are



Performance Measure for 2023/24	Rating	Commentary
		<p>complete for a further 411ha with procurement processes scheduled for August / September 2023.</p> <p>This represents a total of 1456ha of work taking place in 2023/24 at different stages of delivery.</p> <p>Works both currently underway and yet to be awarded remain at risk of non-delivery due to on-site complications, weather and contractor capacity.</p>
Pipeline for 2024/25: 1515ha Restoration Area	Green	<p>The number of identified projects and total restoration area is robust in terms of security of land manager approval and restoration potential, and resilient in terms of surplus built in to accommodate any slippage, contractor or technical issues.</p> <p>The target can be accommodated with the current Cairngorms National Park Authority staff allocation.</p>
Programme risk profile	Amber	<p>Contractor capacity is building but there remains a significant risk of not being able to secure contractors for projects put out to tender at this time of year when restoration is already underway on other sites.</p>



Performance Measure for 2023/24	Rating	Commentary
		<p>Staff capacity in the team is largely spent delivering the current year's programme. It is challenging to plan ahead and start work on preparing the next year's pipeline.</p> <p>A procured, full service approach provided by a 3rd party is still in the early stages of development. Early examples will provide reassurance and a competitive marketplace is expected to evolve. The pace at which this happens is critical.</p>
Future funding profile	Green	<p>£3.95m capital budget has been allocated for 2024/25 Previous allocations have been sufficient to deliver all profiled activity, exceed targets and accommodate any price fluctuations.</p>
Future delivery profile	Green	<p>Landowners remain engaged with Peatland Action and we have a robust and resilient pipeline of projects and expressions of interest sufficient for a number of years.</p> <p>We have encouraged estates to consider developing agent-led projects with less input from Peatland Officers. This approach will hopefully develop over the next 1-2 years.</p>



2023/24 Delivery progress

1. To the end of July, 204ha of restoration work has been completed, including approx. 150ha of restoration from projects started in the 2022/23 delivery cycle. The remainder of works carried over were on Atholl, Mar Lodge and Tulchan of Glen Isla estate.
2. 530 ha of restoration from the 2023/24 schedule is currently underway on Delnadamph (phase 1), Glen Feshie (phase 7), Glen Muick, Atholl and Mar Lodge. 365ha of work has been procured, scheduled to start in August 2023 on Abernethy, Delnadamph (phase 2) and Lynaberack.
3. Project designs are complete for a further 411ha on Allargue, Atholl, Mar and Phoinies. Procurement processes are scheduled for August/ September 2023. Procurement processes at this time of year are at risk of not securing contractors as many contractors are committed to work on other sites.
4. This represents a total of 1456ha of work taking place in 2023/24 in various stages of completion.
5. Progress against the planned delivery timetable for 2023/24 has been challenging, impacted by a number of compounding factors. These include delays in land managers appointing Peatland Code agents, land manager capacity to process multiple sites on one estate, complex procurement processes, reduction in size of restoration footprints, innovation in the agent-led approach taking time to develop, and contractor capacity for work tendered in Autumn; all with subsequent impacts on Cairngorms National Park Authority staff capacity.
6. In light of these ongoing challenges, expectations are that the total of 1456ha is unlikely to be achieved in full.

2024/25 Pipeline

7. There is currently a robust pipeline of 25 possible projects that could yield approx. 1700 – 1800ha of restoration activity. This exceeds the target of 1515ha. The pipeline consists of existing multi-year commitments, deferrals from 2023/24, continuations and resumptions with previous sites, and new applications.
8. Land manager interest is not considered to be the main constraining factor in developing a pipeline of projects. To meet the increasing targets from the existing, or



a slightly augmented, staff complement, a variety of approaches will be needed. The current 2024/25 pipeline takes this into account with a range of estate, agent and Cairngorms National Park Authority led processes. Rationalisation and prioritisation of potential projects takes place January / February 2024. This process considers future programme needs such as demonstration sites, innovation, supply chain capacity building and landscape-scale, multi-year funding opportunities.

Finance and Staffing

9. Financial support from Scottish Government is £4.14m in 2023/24. This comprises £3.63m capital funding and £0.51m resource funding. As of the end of July reporting period, capital expenditure was £380,000. This is in line with the projected cost profile. Capital expenditure will increase significantly over the coming months as the project cycle moves into the delivery window of Autumn / Winter. Grant offer letters issued total approximately £1.4m.
10. To scale up the peatland restoration programme towards an annual target of around 2000ha per year the project has encouraged agent-led approaches whereby the scoping and design, historically done by Cairngorms National Park Authority, is a procured service managed by the land manager.
11. 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.
12. Contractor capacity is considered adequate and growing sufficiently to service the number of projects in the pipeline to meet future targets. We continue to monitor this and encourage mentoring, hybrid approaches and joint ventures to grow the skill base in both the consultancy and delivery sectors.
13. 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:



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- a) A Service Level Agreement identifying the roles and responsibilities of Cairngorms National Park Authority, 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.

Colin McClean
8th August 2023