



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.

Recommendations

The Performance Committee is asked to review the programme update and note:

- a) progress against programme targets for 2023-24.
- b) planned programme for 2024-25
- c) possible effects on the programme of revised national budget positions

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 Cairngorms 2030 Programme, providing £12mill of the Programme's planned match funding. The programme is supporting the delivery of the Scottish Government's peatland restoration targets.

Performance Dashboard

Performance Measure		Rating	Commentary
Finance: maximise use of £3.63 million capital finance available in 2023/24 for peatland restoration		Amber	As of 9th February 2024 the value of completed projects was 1.426 mill. The value of ongoing, active projects is estimated at 759K. The value of projects we aim to start in March 2024 is estimated at 542K. This indicates a total of £900,000 of available capital not fully utilised.
Finance: impact on Cairngorms NPA budget management		Green	No wider unplanned demands currently made by programme on financial resources. The resource budget is likely to be fully spent.



Performance Measure		Rating	Commentary
Restoration target 2023/24: 1300ha Restoration Area		Amber	Completed projects are estimated to have delivered 831ha. Sites where work is still ongoing are likely to deliver a maximum of 361ha. This is a total maximum delivery of 1192ha.
Pipeline for 2024/25: 1515ha Restoration Area		Green	Demand for peatland restoration projects remains high and the pipeline is fully developed with 13 confirmed and 2 contingency projects. Full delivery would exceed the 2024/25 target.
2024/25 Programme risk profile		Green	<p>Budget settlement for the 2024/25 programme is agreed in principle to meet minimum capital and resource commitments.</p> <p>Pipeline projects can be accommodated with the current CNPA staff allocation and capacity. Minimum capital commitment is sufficient to deliver the pipeline and restoration target.</p> <p>Assessments of the contractor base and external delivery partners (agents and estates) indicate sufficient capacity to meet the demands of the 2024/25 programme.</p>
Future funding profile		Amber	<p>There has been a reduction in allocation of approx 40% to the overall, national 2024/25 Peatland ACTION budget, from £34mill to £20.6 mill for 2024/2025.</p> <p>The likelihood is that future budgets will reflect the 2024/25 levels of allocation. Future funds will be expected to prioritise value for many in achieving ha targets, blended finance models, and multiple benefits.</p>



Performance Measure		Rating	Commentary
			The Park Authority's minimum commitments have been established for 2024/25 as required match funding for the Cairngorms 2030 programme and existing staff resource. It is uncertain if this classification of commitments will continue for future years.
Future delivery profile		Amber	<p>Landowners remain engaged with peatland restoration. There is a robust and resilient pipeline of projects and expressions of interest sufficient for several years.</p> <p>Contractor confidence to invest further in peatland restoration could be affected by the reduction in Scotland's Peatland Action funding.</p> <p>Upskilling, embedding expertise and building capacity in external delivery partners could be compromised by a lack of confidence in the sector.</p> <p>No increase in resource capacity in the Park Authority could lead to a reduction in innovation, capacity building and new project development.</p> <p>Prioritising achieving ha targets could lead to a focus of public funding on more simple drain blocking projects at low altitude, which could reduce the opportunities for private investment into these low-risk areas.</p> <p>The reduced budget scenarios present an opportunity to drive forwards blended finance models, community wealth building models and delivery of multiple benefits. The</p>



Performance Measure		Rating	Commentary
			National Park is well-placed to capitalise on this direction of travel.

Delivery against strategic expectations

2. The programme remains on track to deliver the National Park Partnership Plan target for a minimum of 38,000 ha of peatland under restoration management. In order to achieve this target, the hectares of restoration per annum will increase over time. The 2024/25 pipeline and immediate future of the programme remains in line with the expected trajectory on long term targets and 2027 actions for hectares of peatland under restoration.
3. Increasing contractor and estate capacity and creating jobs has progressed well, notably via the new entrants' scheme and more recently supporting project design and oversight by land agents. There is a risk that reduction in Scottish Government funding allocation will have a negative effect on the sector's willingness to invest time and resource into scaling up peatland restoration enterprises. The Park Authority's approach remains to upskill external delivery partners and embed expertise in estates, demonstrating a long-term commitment to peatland restoration through the development of alternative funding mechanisms and sustainable approaches.
4. Peatland restoration is evolving away from 100% public funding and looking towards increasing value for money, recognising the dis-benefits with a primarily target focused approach and the need to continue commitment to the medium to long term. The Park Authority and partners are well placed to innovate and demonstrate new, sustainable models. The programme in the National Park takes a leading role in the delivery of multiple benefits and cross sectoral policy integration, aggregating restoration at sale, drawing in private investment and delivering community benefit. These ambitions are reliant on staff capacity and resource to develop and service new approaches.

Strategic risks under management



5. Staffing and resourcing: commitment to meet the Park Authority's current staffing resource and budget needs is agreed in principle, subject to Accountable Officer approval. This will ensure there is no reduction in the staff contingent for the 2024/25 programme and sufficient capital allowance to deliver the restoration programme. A static resource budget may put constraints on the ability to develop new approaches as staff capacity is directed towards servicing the existing restoration pipeline. Minimum capital requirements for the 2024/25 programme have been calculated considering the contributions Peatland ACTION makes as match funding to the Cairngorms2030 programme as committed spend. The entire match funding commitment for Cairngorms2030 equates to £12 million over 4 years.
6. Supporting the sector: confidence in both the services and land management sectors may be negatively affected by a reduction in capital allowance. Cairngorms 2030 programme commitments will provide some security to land managers, contractors and delivery agents. 15% of projects in the Park receive private sector contributions which are nearly always from the landowner themselves. We are exploring the appetite for increased private sector contributions with landowners and with others throughout 2024-25.

Conclusions: Performance Overview and Matters Meriting Strategic Review

7. There are no matters of strategic significance which merit escalation at this time in the opinion of senior managers leading the Cairngorms National Park Authority's linkage to the areas of activity covered by this paper and associated reports.

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