

Supporting Scotland's Land Use Transformations: Quantitative Story Telling - Regions



The James
Hutton
Institute

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End of Year 3 meeting with Scottish Government
25 March 2025, Summary Slides for JHI- C3-1.

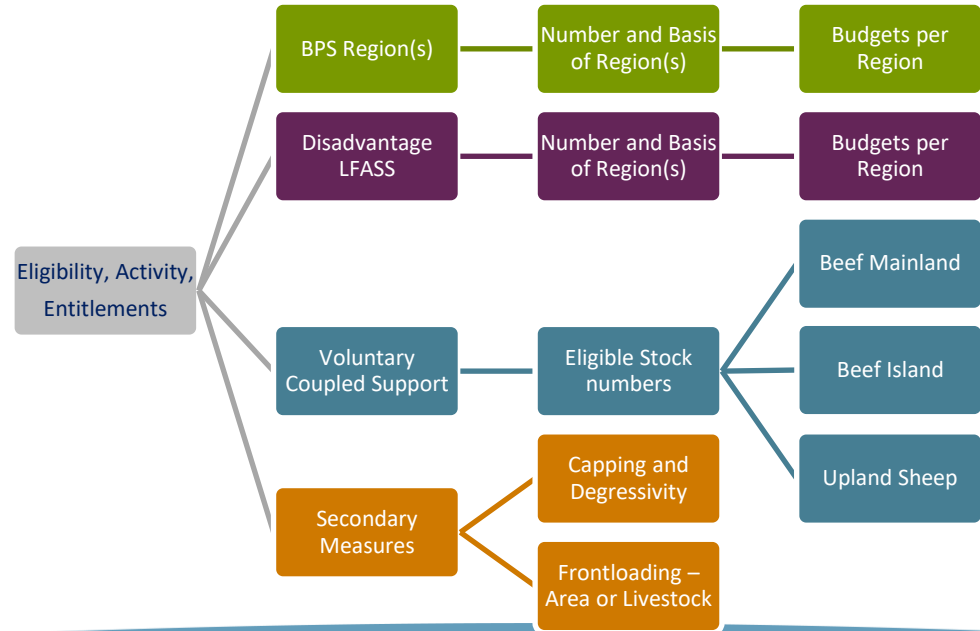
Introduction

- **Context**
 - Analysis to support SG policy deliberations on the Base (Tier 1) payments in post 2026 schemes.
- **Purpose**
 - Define and communicate the state of play for regions – shape of the system as it stands.
 - Test regionalisation options
 - Place Base (Tier 1) in the context of other schemes (e.g. Less Favoured Areas, & VCS)
- **Draws on previous work**
 - Strategic Research Programme ([2022-27](#) and earlier [2016-22](#))
 - EARS [regionalisation scenario analysis](#) (2023)
 - Analysis of [Enhanced Conditionality Measures](#) (2023)

“... the outcomes for an EC based scheme would be determined in, large measure, by the distribution of funds across Scotland and that this would be set by budget and region decisions (number and definition), their interactions with other measures such as voluntary coupled support (VCS), and key region implementation options such as capping or front loading”.
Matthews et al (2023) **Enhanced Conditionality [Synthesis Report](#)**

Outputs

- **Reports**
 - [Synthesis Report](#) and per stage Slide Decks ([1](#)), ([2](#)), ([3](#)), ([4](#)) and [slide commentary](#)
- **Dashboards**
 - Sets of visuals
 - More flexible, interactive, online
 - PowerBI link (requires registration)
- **Scenario Generation Tool**
 - Online (requires registration)
 - Components ↻
 - [Worked Example](#) (manual)



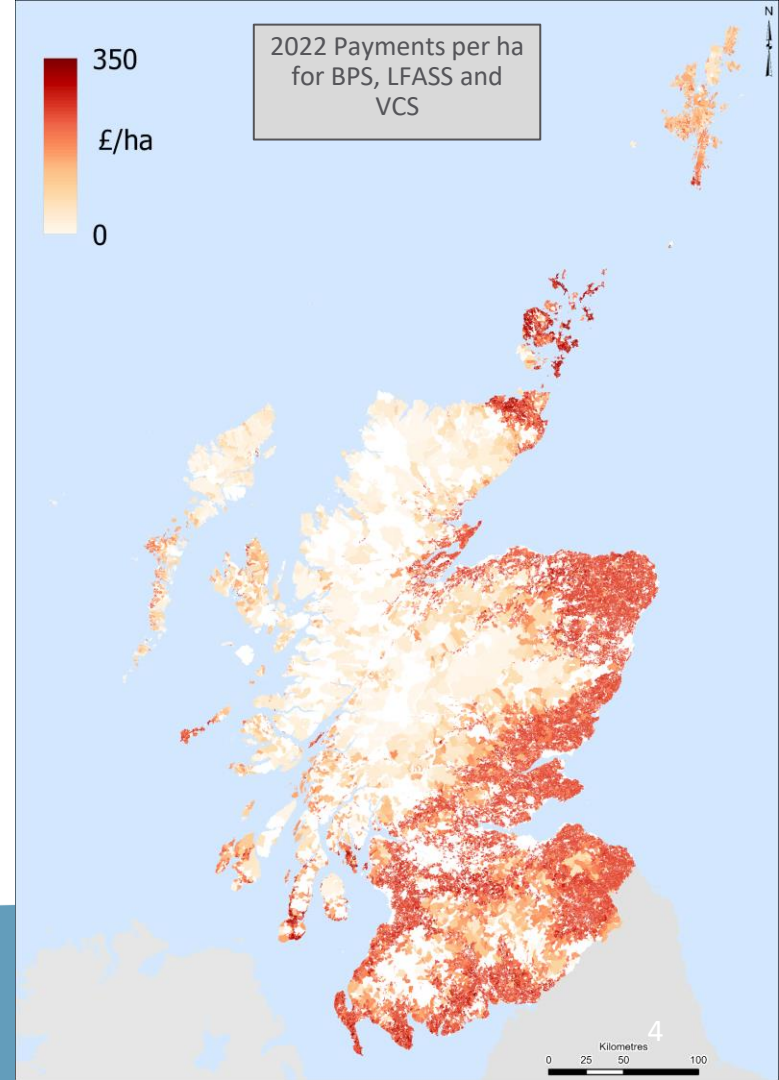
Stages of Analysis

■ Baselines

- Stage 1: Part 1 - Areas and Payments
- Stage 1: Part 2 - Characterisation (distributions)
- Scenario 0

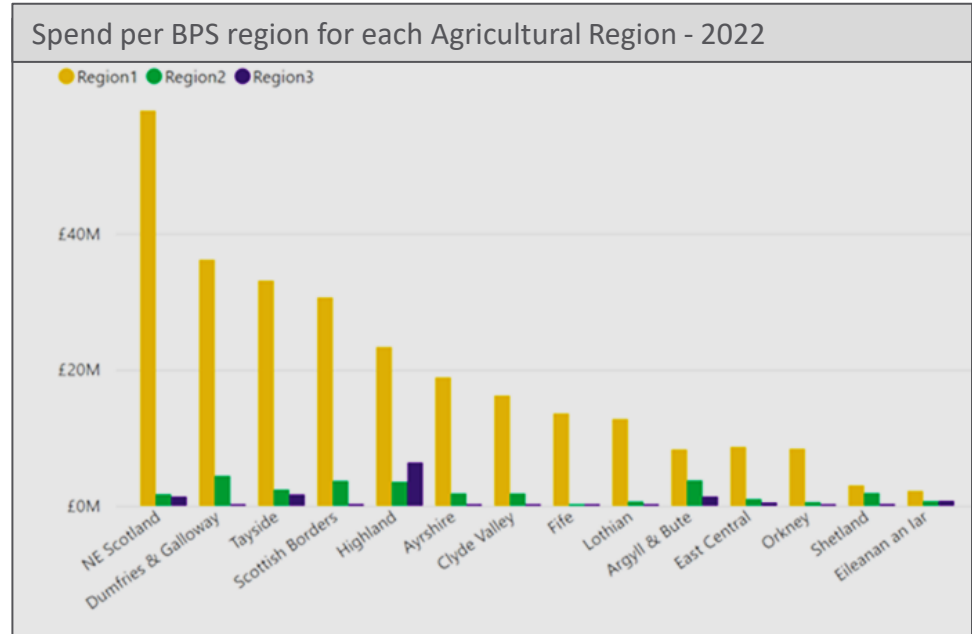
■ Scenarios

- Stage 2 – **BPS Scenarios**
 - Active Farmed Hectares – **Scenario 2**
 - 2 Region – **Scenario 4**
 - New 3 Region – **Scenario 6**
- Stage 3 - **LFASS**
- Stage 4 – all **Direct Payments**



Stage 1 - Baseline Payments

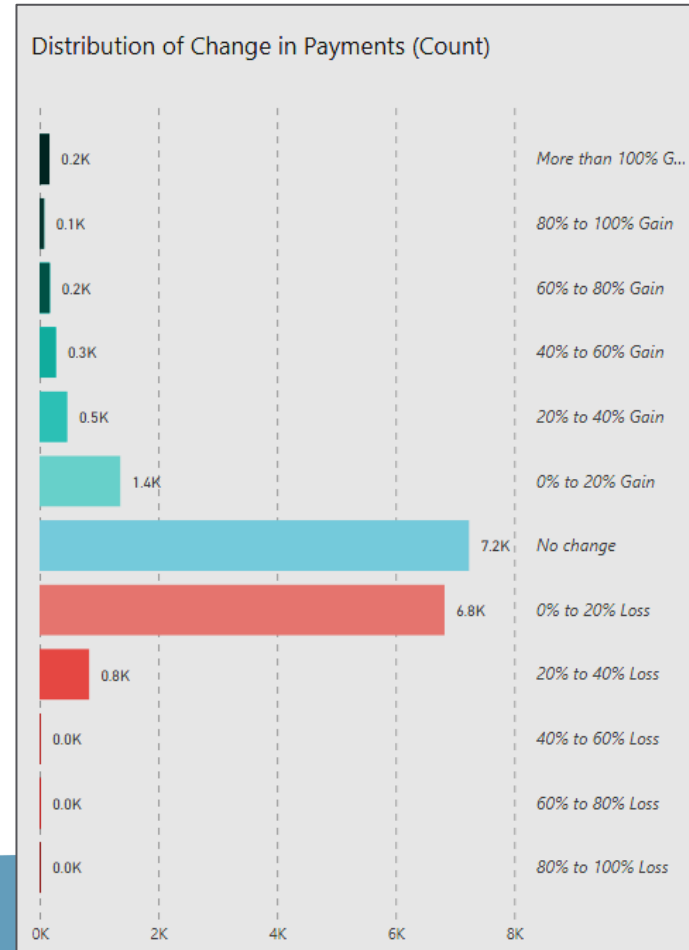
- BPS regions - **Spend** on payments in those areas ➡
- **Desk-based Review** – *status quo* but changes would still be needed
 - Budget management
 - Entitlements
 - Limited options to include LFASS budgets
- **Technical Review**
 - Some change, but low impact



Region 1 - 87% of money to 43% of land area – can this deliver 87% of SG outcomes sought?

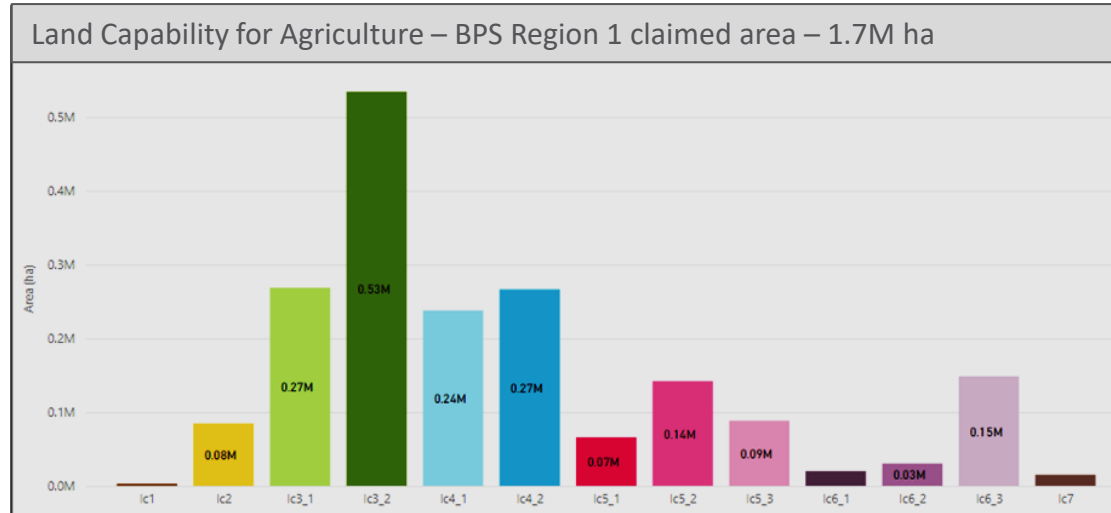
Stage 2 - Scenario 4 - 2 Regions, Merge R2&3

- Current BPS Regions 2 and 3 (both **predominantly rough grazing** but with **differing payment rates**) are merged into a single region with a combined budget
- Region 1 – 1.7M ha & Region 2 - 2.25M ha
- The budget used for the Scottish Upland Sheep Support Scheme is also added to the new region's budget (variant of EARS S4)
- **Desk-based Research**
 - Peatlands alignment and **compatibility with Enhanced Conditionality** and revised LFASS
- **Technical Review** – very high impact.
- Need for a different sheep VCS scheme, social or environmental basis?



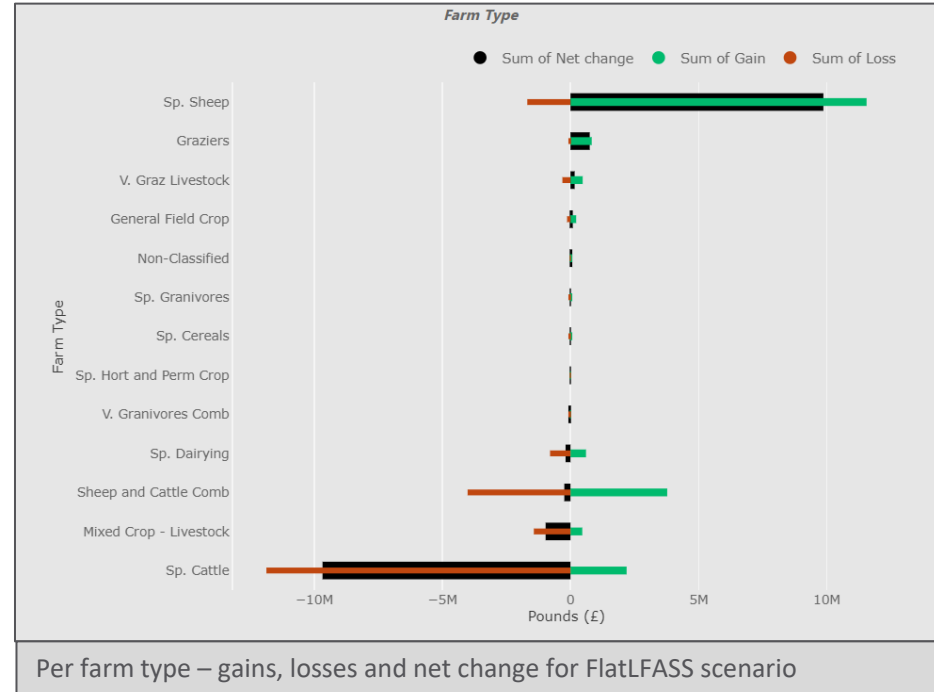
Stage 2 – Scenario 6 – New 3 Region

- Why differentiating within BPS Region 1 matters:
 - 87% of spend and
 - a diverse region, e.g. from Baseline Characterisations (Stage 1) Land Capability ➡
- 3 Region scenario can:
 - be used to better target EC expectations
 - better balance EC actions vs. funding



Stage 3 - Less Favoured Area Support Scheme

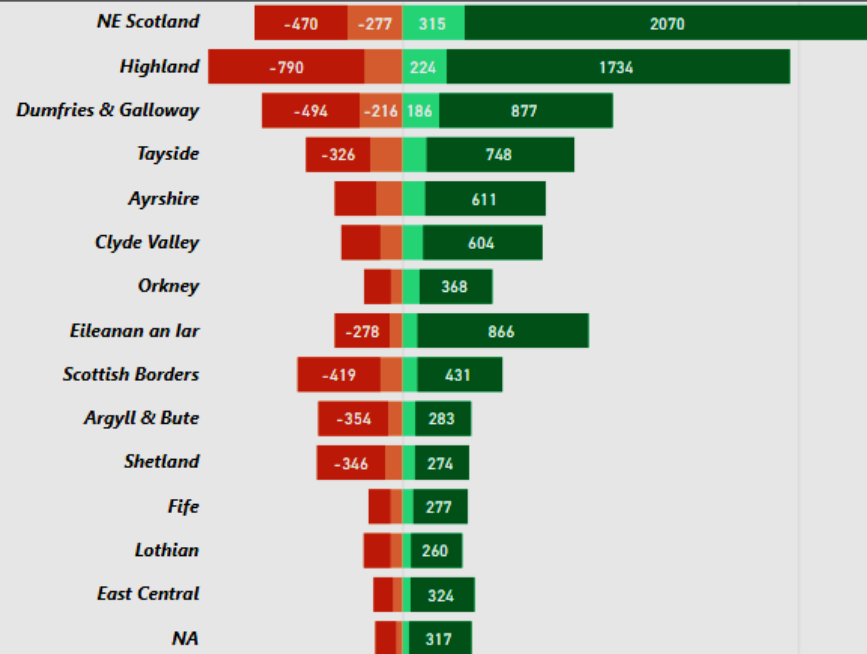
- **Scenario: Flat LFASS**
- Takes the current LFASS budget and allocates it across all the claimed LFA area
- Simplification, elimination of historic elements
- **Confirmatory only** as could anticipate the undesirable outcomes



Stage 4 – All Direct Payments

- **Demonstration** of analytical capability of the Scenario Generator
- **Experiment** – can functions of LFASS be replicated by other means?
 - Simplify regions and eliminate historic elements (esp. stocking rates)
 - Mitigating any undesirable policy outcomes from Flat LFASS
- **Scenario - 2 Region – No LFASS – Capped and Front Loaded**
 - LFASS budget delivered via
 - Uplift to Region 2 payments
 - Higher VCS payments
 - Capping and Front Loading

Counts of businesses gaining and losing from 2 Region – No LFASS – FrLd
Threshold for Effective Gain or Loss was 5%



● No change ● Low_Gain ● Effective_Gain ● Low_Loss ● Effective_Loss

QST in Years 4 and 5

- Intent is to undertake a third phase of QST in Year 4 and 5.
- No specific commitments – but some guiding ideas:
 - would be desirable to use the QST as a vehicle for consolidating and exploiting the Year 1-3 work from each of the teams.
 - Linking with SRUC livestock and Forest Research to generate better defined scenarios for net zero and other environmental objectives.
 - could also be a series of smaller scope, policy-led QST ‘sprints’
- Options based on existing SG interactions:
 - Agriculture Reform Programme – other Tiers (3 or 4), the transform phase, theory-of-change and monitoring and evaluation (baselining)
 - Implementation of SNAP3 – land use change and water resilience / metabolism
 - Land Use Strategy
 - Emerging policy led topics from End of Year 3 market place

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Previous related analyses are also available from the Hutton Land Systems Research Team website -
<https://ics.hutton.ac.uk/research/land-systems-research-team/>

The sets of slides and maps generated in Agriculture Policy analysis from 2010 onwards are available from -
<https://ics.hutton.ac.uk/research/land-systems-research-team/cap-analysis/>

For woodland expansion analysis see - [online mapping](#) and [paper](#).

[Story Map for Land Use Transformations](#) - land use change modelling.

Further research in the RESAS Strategic Research Programme 2022-27, in the [Land Use Transformations](#) (C3-JHI-1) and [Land Reform](#) (E3-JHI-1) projects.

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