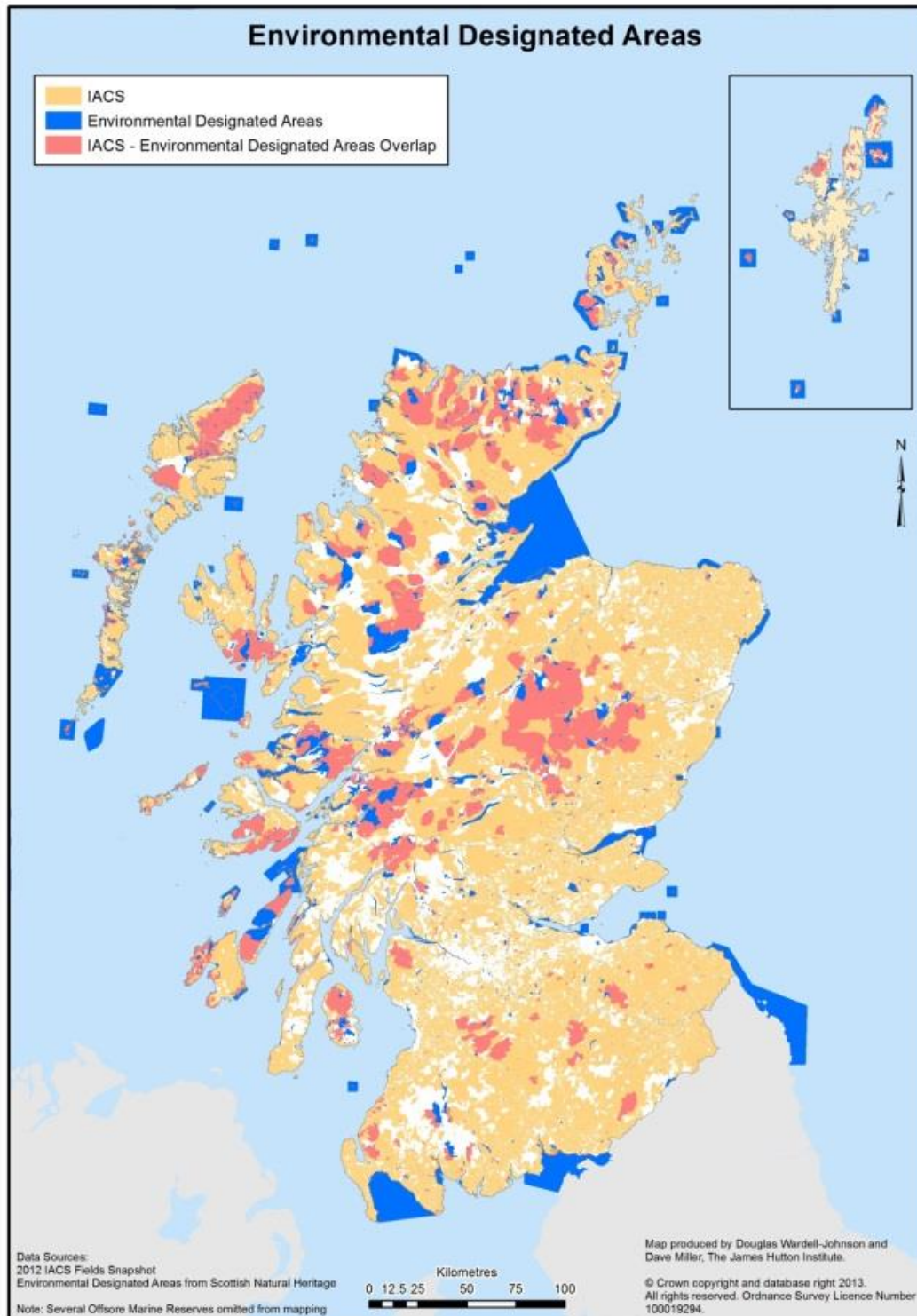


Future CAP Payments: Designated Areas

Estimation of future payments on land with Environmental or Historic designations using the Phase 1 modelling scenarios

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Executive Summary

This analysis assesses the effects of the Phase 1 modelling scenarios on areas with environmental designations and historic sites. The analysis was conducted in response to a request from the Future CAP Stakeholders group.

Land with environmental designations has a significant exposure to businesses supported through SFPS. Land with current SFPS claims makes up 59% of the environmentally designated areas with a further 21% either excluded on the basis of land use (e.g. woodlands that might have environmental designations) or included in IACS/SAF through participation in other schemes (e.g. SRDP). This latter group of businesses is considered those most likely to feature in any increase in the area on which a replacement for SFPS could be paid. A substantial minority of designated land (20%) is not part of the IACS/SAF mapping. For historic sites a smaller proportion of the area is land on which SFPS claims are made (46%), but with a similar proportion included through other schemes (21%).

For environmentally designated areas the outcomes in terms of allocated budgets are summarised in the table below. This shows that decisions on regions and budgets have a significant effect on the distribution of funding (€21.4M to €80.9M) with, in general, budgeting decisions being more influential than region choices. The most advantageous scenarios are those with environmentally weighted budgets. The least advantageous scenarios for environmentally designated areas are farm-level, land-type with production weights, and this disadvantage is compounded if the rates are reduced below the €27/ha used in the Phase 1 modelling. For historic sites the range of scenario values is small (€11.4M to €16.3M) with less distinction between budgeting options.

Payments to land with Environmental Designations for the Phase 1 modelling scenarios

Regions		Criteria for Setting Budgets				
		Historic	Economic (Standard Outputs)	Weighted Land		
				90:10	Production Weight	Environmental Weight
Farm Level	Farm Level LCA 1a	66.6M€	54.7M€	51.6M€		69.7M€
	Farm Level LCA 1b	64.3M€	50.1M€		51.7M€	67.8M€
	Farm Level LCA 1c	54.9M€	38.1M€			
	Farm Level LFA	77.3M€	62.1M€		67.8M€	80.9M€
	Farm Level Land Type 3	57.2M€	38.9M€		34.6M€	61.8M€
	Farm Level Land Type 2				33.7M€	
Parish Based	Parish LCA 1a	63.5M€	49.3M€		47.9M€	67.1M€
	Parish LCA 1b	57.6M€	42.0M€			
	Parish Historical SFPS	53.1M€	40.1M€			
	Parish Land Type	61.9M€	46.4M€		38.6M€	66.4M€

For land with environmental designations there is a diverse range of farm types involved in their management so the consequences of scenarios for all farm types need to be considered. The most extensive types are those with lower intensity and/or livestock. Specialist Sheep businesses are prominent (240K ha) but the farm-type with the largest area is Mixed Cattle and Sheep (264K ha). Specialist Cattle businesses also manage a substantial area (145K ha). For regions Highland sees the biggest gains or losses in terms of Euro values but other regions (Western Isles, Tayside, Borders) can see larger proportional gains for environment-weighted scenarios.

Historic sites should not be equated with environmentally designated areas as they have a distinctive farm-type and regional mix, with more lowland and cropping based enterprises present. They benefit most from economic or production orientated scenarios. The area of historic sites is however, small (0.12M ha) and the magnitude of changes for farm types and regions limited (<€1M). This makes drawing detailed conclusions risky.

The key conclusion of this analysis is that budgeting decisions are those most likely to have a significant effect on the level of funding for environmentally designated areas or historic sites.

Introduction

This analysis is being conducted in response to a request from stakeholders to assess the effects of post 2013 CAP reforms on areas with environmental designations and historic sites. The analysis considers the outcomes of all the Phase 1 modelling scenarios since the initial request for analysis was made before the identification of “first choice” and “second choice” regionalisation options. The analysis also includes the additional two-region, land type regionalisation generated after discussion of the Phase 1 modelling.

Materials and Methods

Two areas of interest were identified by stakeholders – sites with environmental designations (referred to here as *Designated sites*) and sites with historic/archaeological designations (referred to here as *Historic sites*). The two areas were interpreted as including the following features (see Table 1).

Table 1: Components of the two areas of interest

Designated Sites
RAMSAR (Wetlands)
SAC (Special Area of Conservation)
SPA (Specially Protected Areas)
SSSI (Sites of Special Scientific Interest)
Historic Sites
Gardens and Designated Landscapes
Inventory Battlefields
Scheduled Monuments

The maps for these areas were sources from SNH¹ and Historic Scotland². For the reporting of this analysis all environmental designations are grouped together into a single type. The underlying data will support disaggregation by individual designation types or combinations of designations but this was beyond the scope of the current analysis. The same also holds true for the historic designations. The methodology for the generation of the designated and historic sites mapping is contained in an earlier report on stocking rates in designated areas³. Maps of the two areas of interest are shown in Figure 1 and Figure 2 respectively. The areas of marine Designations are excluded from the analysis and results.

The analysis reports separately the values of Phase 1 scenarios payments for the Designated and Historic sites. Note that the analysis is reporting only on the payments for the Designated areas or Historic sites, not for the whole of those businesses that have within them Designated areas or Historic sites. There will be indirect effects on the management of such sites that results from adaptive responses to the reforms by business but these are not within the scope of the current analysis.

Note also that the Phase 1 modelling does not consider new recipients so the report here is for only those businesses currently in receipt of single farm payment (SFP) and who manage land with either environmental or historic designations. Thus when the report draws conclusions for Designated and Historic sites it is referring only to a subset of their areas. Table 2 breaks down the share of Designated areas and Historic sites into those outwith the IACS mapped area and those within the mapped area, that is those businesses that submit a Single Application Form (SAF). Table 3 breaks down the SAF area into land on which SFPS is paid (SFPS-Paid) and that which is excluded or on which SFPS is not claimed (SFPS Not-Paid). Table 2 shows that all but 20% of Designated areas are within businesses that submit a SAF. This means that the great majority will to some degree be affected by CAP reforms.

For 59% of the total designated area there will be direct effects of reforms to SFPS as they are used to activate current entitlements. For the remaining area within SAF (21% of the total designated area) there will be a range of possible interactions with CAP reforms. Some of this area (5 % of the total designated area) is within SFPS claiming businesses, but is made up of land uses currently excluded from eligibility for SFPS, so any changes in such criteria e.g. for agro-forestry could mean that such land becomes eligible for Pillar 1 payments. A further 8% of the total designated area has eligible land uses but SFPS is not claimed for whatever reason (e.g. lack of entitlements or preference). A further 2% of total designated area is made up of ineligible land uses within non SFPS claiming

¹ Designated area maps were downloaded from the Scottish Natural Heritage Natural Spaces online data download facility: <https://gateway.snh.gov.uk/natural-spaces/index.jsp>

² Historic sites were downloaded from the Historic Scotland Data Services website: <http://data.historic-scotland.gov.uk/pls/htmldb/f?p=2000:10:0>

³ <http://www.macaulay.ac.uk/LADSS/reports/Stocking%20Rate%20on%20Land%20with%20Environmental%20Designations%20vPublished.pdf>

businesses⁴. The share of these two categories that could be included within an area-based payments scheme will depend on business preferences, land use eligibility criteria and any activity measures adopted (this is the subject of study in other on-going analyses). Even if the land does not become eligible for an area-based payment scheme, business decisions for land in the Non-SFPS categories will still be influenced by changes to Pillar 2 payments (e.g. LFASS and Rural Priorities). It should also be borne in mind that for the full 80% of Designated areas there will also be indirect effects of business decisions made in response to CAP reforms for the business as a whole.

The same phenomena can also be observed for Historic sites though with a lower overall percentage of such sites within the SAF area (67%).

Table 2: Areas and shares for Designated Areas and Historic Sites

Environmental Designations	Outwith SAF	Within SAF	TOTAL
Area	280,058	1,107,868	1,387,926
Percentage	20%	80%	100%
Historic Sites	Outwith SAF	Within SAF	TOTAL
Area	40,217	80,070	120,847
Percentage	33%	67%	100%

Table 3: Areas and shares for Within SAF portion of Designated Areas and Historic Sites

Environmental Designations	SFPS Paid	SFPS Ineligible	Non-SFPS Eligible	Non-SFPS Ineligible	Excluded	TOTAL
Area	824,685	69,089	111,425	27,538	75,130	1,107,868
Percentage	59%	5%	8%	2%	5%	80%
Historic Sites	SFPS Paid	SFPS Ineligible	Non-SFPS Eligible	Non-SFPS Ineligible	Excluded*	TOTAL
Area	55,843	12,645	2,706	6,938	1,937	80,070
Percentage	46%	11%	2%	6%	2%	67%

⁴ The Excluded category refers to land that could not be assigned to a region in both LCA and Land Type based regionalisation. For consistency of analysis the areas in both were constrained to be identical. In the LCA based regionalisation Land Class 7 was excluded in addition to exclusions based on land use eligibility. The LCA class 7 exclusions makes up the majority of the Excluded class with other differences due to mapping scales, claim and map areas etc.

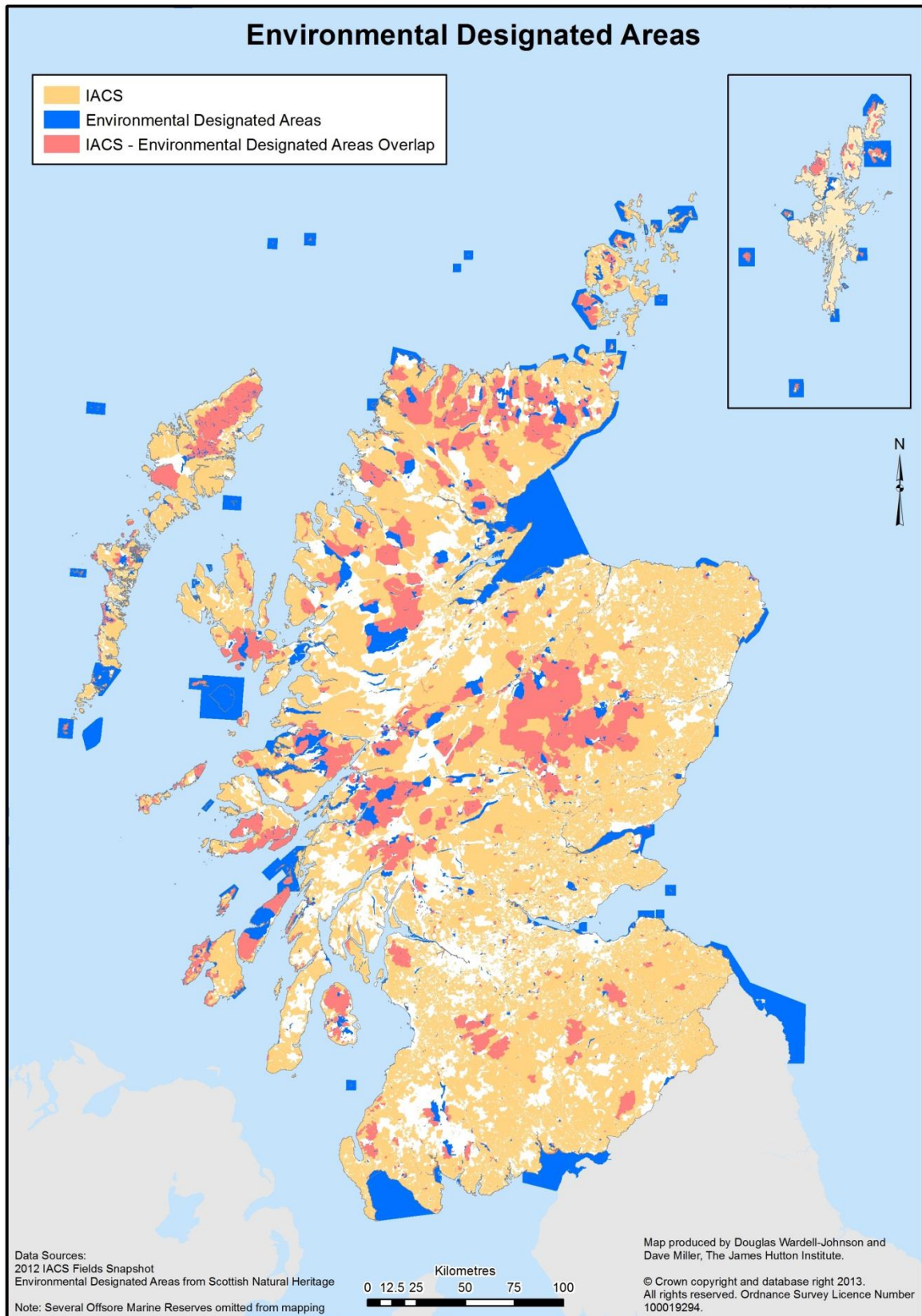


Figure 1: Combination of all environmentally designated areas included in the analysis

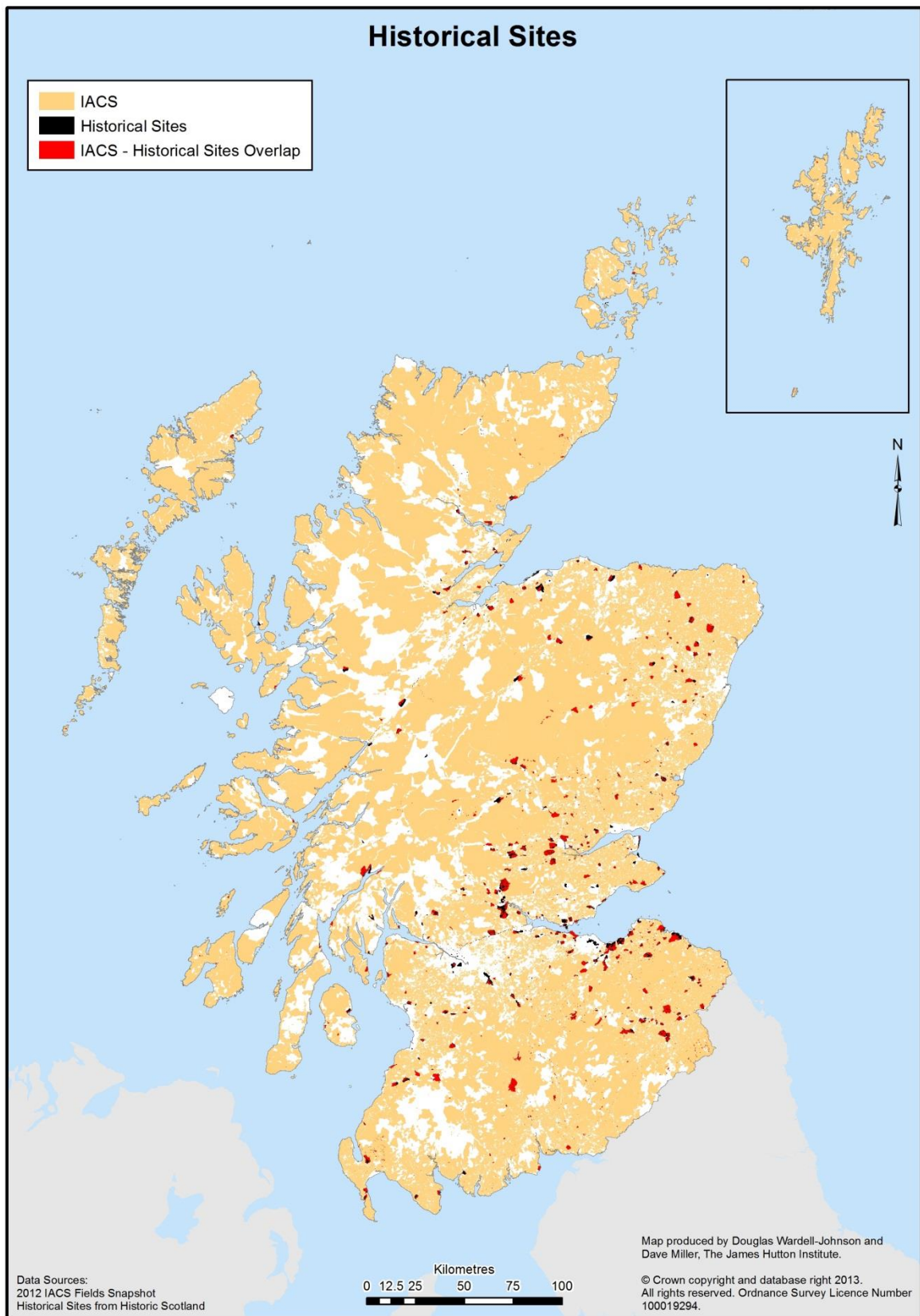


Figure 2: Combination of all historic sites included in the analysis

Payment Scenarios

This analysis has summarised the outcomes for Designated land and Historic sites for all the scenarios in the Phase 1 analysis plus those generated in subsequent discussions (specifically the regionalisation using two Land Type based regions⁵ combined with Production and Environmental land based weightings). The combinations of regions and budget methods are shown in Table 4. For definitions of the regions and budget methods see the Scenario Analysis Summaries document presented at the Future CAP: Moving Forward Conference in April 2013⁶ and the description of the methods and assumptions contained in the presentation made by the authors⁷. Current first choice scenarios are highlighted in purple and second choice scenarios in blue.

Table 4: Phase 1 Modelling Scenarios and Follow Ups

Regions		Criteria for Setting Budgets				
		Historic	Economic (Standard Outputs)	Weighted Land		
				90:10	Production Weight	Environmental Weight
Farm Level	Farm Level LCA 1a					
	Farm Level LCA 1b					
	Farm Level LCA 1c					
	Farm Level LFA					
	Farm Level Land Type 3					
	Farm Level Land Type 2					
Parish Based	Parish LCA 1a					
	Parish LCA 1b					
	Parish Historical SFPS					
	Parish Land Type					

Scenario Notes

The two zone LCA based regionalisation presented here uses a budget parameterisation from the Phase 1 analysis rather than any of the subsequently analysed budget options which used variations of production weighting. The Phase 1 modelling used a 90:10 balance between the two regions which results in a €28.15/ha rate for the lower quality land rather than a €27.00/ha rate as used in other production weighted budgeting scenarios. The difference is small enough that for the overall pattern of outcomes should, however, be similar enough for meaningful conclusions to be drawn.

The rate of payment used for the lower quality land in the two zone land type with production weighting was €27/ha in line as used in the follow up to the Phase 1 Modelling. A further analysis using the alternative €10/ha rate for the lower quality land was also used to assess sensitivity to rate changes.

No environmental weighting option has yet been analysed for the two-zone, land type regionalisation.

No decisions have been made with regard to budgeting options – so any payment rates must be considered indicative.

Note on nomenclature for payment scenarios. To avoid lengthy and repetitious text in referring to payments scenarios the following approach is used with abbreviations as listed in Table 5 (overleaf).

⁵ This combines permanent grassland with arable and temporary grassland land types.

⁶ <http://www.scotland.gov.uk/Topics/farmingrural/Agriculture/CAP/regulations/Meetings-2013/Future-CAP-Scenarios-Analysis-Summaries>

⁷ <http://www.scotland.gov.uk/Topics/farmingrural/Agriculture/CAP/regulations/Meetings-2013/The-James-Hutton-Institute-Modelling%20Scenarios>

Table 5: Nomenclature of Phase 1 Scenarios

Region Type – Region Option/Count – Budget Option	
e.g. F-LT2-Prod = Farm level, Land Type 2 region, Production Weighted	
Region Type	Abbreviation
Farm level	F
Parish based	P
Region Option	Abbreviation
Land Capability for Agriculture	LCA (variants by a, b, c)
Less Favoured Area	LFA
Land Type	LT
Historical SFPS	Hist
Production Weight	Prod
Environmental Weight	Env
Region Count	2,3

Payments for Designated and Historic sites

Disaggregating field level payments data

By spatial overlay in the geographical information system (GIS) the proportion of each field that falls within either Designated or Historic sites can be assessed. These proportions are then used to calculate the amount of payment associated with each field that falls within the Designated or Historic area and which is associated with the areas outwith.

Using portions is a simplification necessary as in some cases there is uncertainty about the location within a field of the area upon which the payments has been generated. A number of circumstances cause this uncertainty.

- i. When the claim area on which payments are made is smaller than the mapped (polygon) area and/or when the designation only encompasses part of the field then it is not possible using 2011 IACS data⁸ to determine the exact nature of the overlap between the unmapped within-field features, (e.g. claim areas) and the spatially explicit designations. The proportion of the polygon area made up by the designation is therefore used to divide the payment associated with the claimed area of the field into two parts; that associated with the designation and that outwith.
- ii. Additionally within a field there may also be a variety of land uses whose locations within the field are unknown. For some land use and scenario combinations this means different payment rates within a single field. Again when a designation only covers part of a field then it is not possible to know which land uses are associated with the designation and which are not. The proportion approach is again used to divide the payment associated with the field into that inside or outside the designation.
- iii. Similarly for LCA based payment scenarios, multiple regions may occur within the same field. While LCA is mapped, and within field patterns of LCA classes could therefore be used, the scale of mapping, in all but the lowlands, means that such distributions would be very unreliable. Within field distributions would have also required a reimplementation of the LCA based scenarios; which was beyond the scope of the analysis.
- iv. For LFA based regions each field is assigned to one class so the issue of within field matching to designations does not occur.

Baseline issues

The Baseline and Phase 1 scenarios payments per field are those generated in the previous Phase 1 modelling analyses and held in intermediated tables within the GIS. Note that since the analysis uses field level payments data this raises limitations that need to be considered in interpreting the outputs from the analysis.

⁸ With the development of IACS mapping to be spatially explicit about exclusions as well as claim areas this uncertainty will be progressively eliminated.

Field level payments are linked, using the proportional approach outlined above, to any Designated or Historic areas present to determine the amount of money associated with designated or non-designated areas. For the Phase 1 modelling scenarios this information is calculated based on the mix of payment regions within the field. For Land Use and LFA approaches this means the amount calculated is definitively known, as land use is defined for claimed areas and LFA status is the same for all land in the same field. For LCA there is some uncertainty since the LCA mix of the whole field is known accurately but the claim area may be only a small part of the overall field. LCA calculations assume the LCA mix is the same for both claimed and excluded areas.

The Baseline payments per field, however, rely on the process of *progressive flattening* which links entitlement values (held per business) to land, with higher value per hectare entitlements being linked preferentially to the better quality land as defined by LCA. This progressive flattening has been shown to be slightly better than simply averaging total entitlements over the whole of the claimed area but is still limited in its ability to ensure that land that generated entitlements continues to hold them in an area based baseline. This means that lower quality land tends to receive inflated rates per hectare in the Baseline. This is significant for the Designated and Historic areas analysis since such areas may often be associated with less intensively managed parts of businesses. Inflated Baseline rates tend to underestimate in all scenarios the increases that such areas experience. If the baseline is sufficiently high then some scenario payments may even appear to be reduced.

For comparisons between the Baseline and scenarios made at a whole business level the distribution of payments within a business do not matter. In such cases analysis of change is reliable both in the magnitude of change and in the relative ordering of scenarios. Where, as in this analysis, comparisons depend on field-based data, then the limitations of progressive flattening mean that the magnitude of change needs to be seen as indicative while the relative ordering of scenarios remains robust.

Results

Farm Type and Agricultural Region Breakdowns

These figures are included to provide a context for the financial analyses that follow. The Farm Type and Agricultural Region breakdowns report the areal extent of Designated Areas or Historic Sites. This highlights the kinds of farming systems and geographical areas with greatest relevance so that these can be borne in mind when interpreting the subsequent financial and change analyses.

Designated Areas

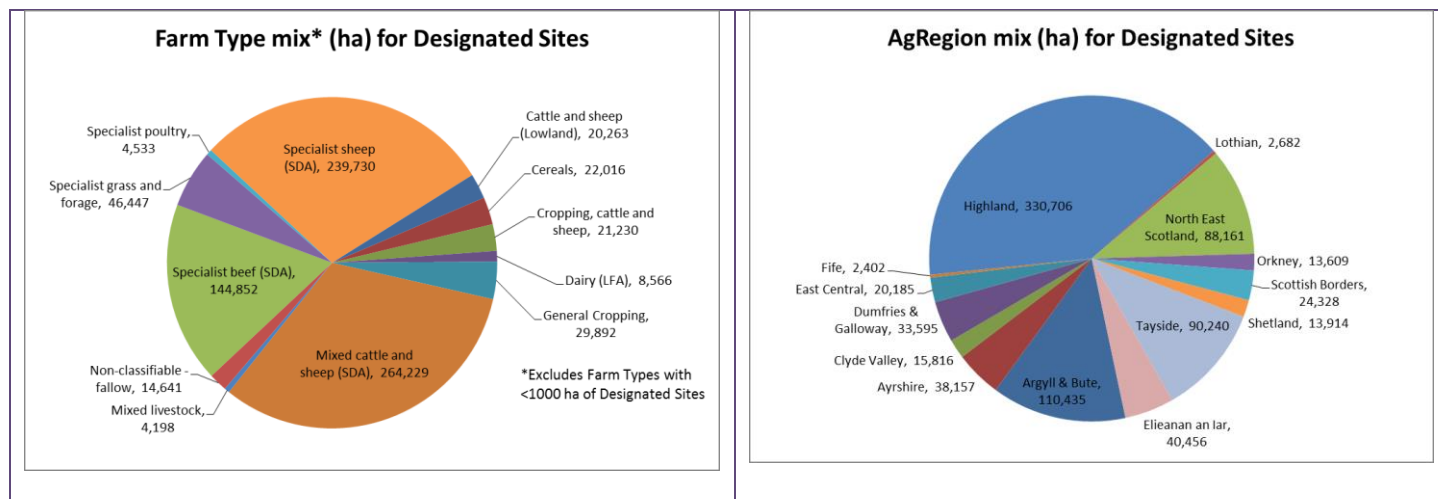


Figure 3: Farm Type and Agricultural Region mix for Designated Sites

Commentary

Figure 3 above highlights that designated sites are not associated exclusively with the lowest intensity farming systems, though in general they are, in area terms strongly associated with livestock based systems. Note that the biggest designated area is associated with mixed cattle and sheep systems. For AgRegion the dominance of Highland is apparent, mainly reflecting the fact that this is by far the largest region but also the overall less intensive mix of farming types. For the North East and Tayside it may be that the upland areas within these regions make up the majority of the designated sites.

Historic Sites

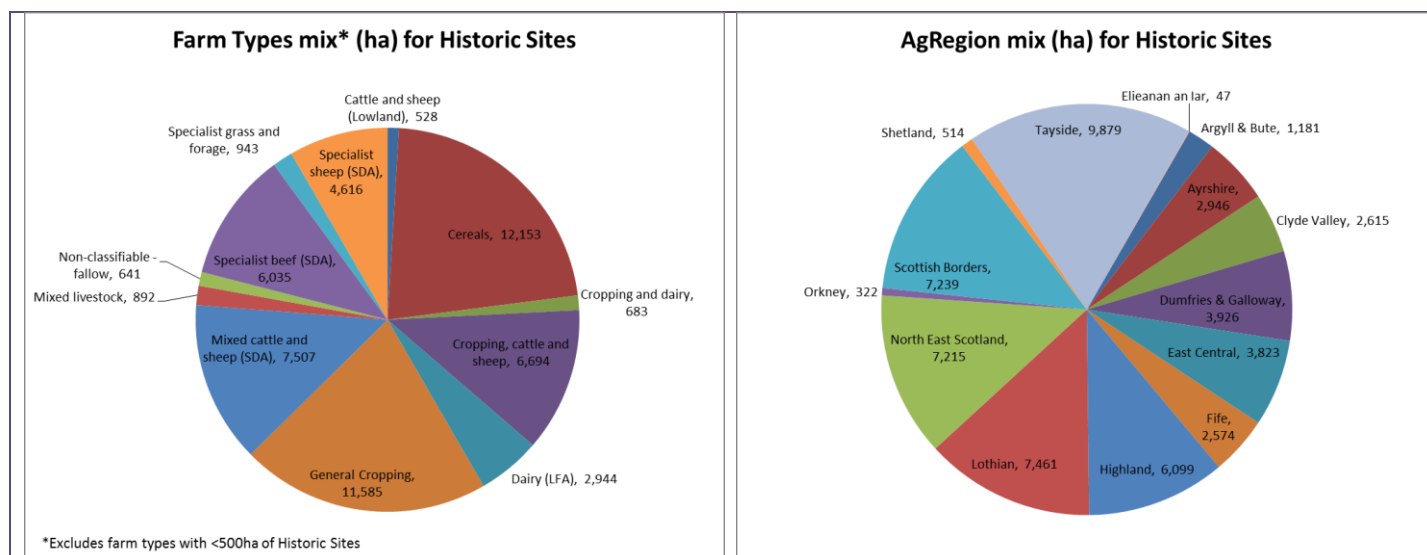


Figure 4: Farm Type and Agricultural Region mix for Historic Sites

Commentary

The Farm Type and AgRegion mix for historic sites shown in Figure 4 are very varied but with much more emphasis on lowland systems and areas associated with historic settlement.

Payments for Designated Areas and Historic Sites for Phase 1 Scenarios

Table 6 and Table 7 below present the outcomes in terms of overall payments for the Phase 1 modelling scenarios organised by region and budget options.

Designated Areas

Table 6: Payments for Designated Areas

Regions		Criteria for Setting Budgets				
		Historic	Economic (Standard Outputs)	Weighted Land		
				90:10	Production Weight	Environmental Weight
Farm Level	Farm Level LCA 1a	66.6M€	54.7M€	51.6M€		69.7M€
	Farm Level LCA 1b	64.3M€	50.1M€		51.7M€	67.8M€
	Farm Level LCA 1c	54.9M€	38.1M€			
	Farm Level LFA	77.3M€	62.1M€		67.8M€	80.9M€
	Farm Level Land Type 3	57.2M€	38.9M€		34.6M€	61.8M€
	Farm Level Land Type 2				33.7M€	
Parish Based	Parish LCA 1a	63.5M€	49.3M€		47.9M€	67.1M€
	Parish LCA 1b	57.6M€	42.0M€			
	Parish Historical SFPS	53.1M€	40.1M€			
	Parish Land Type	61.9M€	46.4M€		38.6M€	66.4M€

Commentary

The historic budget option sees higher overall payment totals as a result of the averaging of existing entitlements across businesses (an artefact), whereas the environmental weighting see higher payments as the outcome of a deliberate choice of budget mechanism and parameterization (a policy choice). Overall the economic budgeting and production weighing both see lower levels of payments with the exception of LFA based regionalisation options. In particular note that in terms of outcome the key factor is the budgeting option rather than regionalisation. For example if the F-LT2-Prod uses a €10/ha rate for the lower quality land then payments to designated areas are further reduced to €21.4M.

Historic Sites

Table 7: Historic Sites

Regions		Criteria for Setting Budgets				
		Historic	Economic (Standard Outputs)	Weighted Land		
				90:10	Production Weight	Environmental Weight
Farm Level	Farm Level LCA 1a	11.6M€	12.5M€	12.8M€		11.4M€
	Farm Level LCA 1b	12.7M€	14.8M€		12.4M€	12.3M€
	Farm Level LCA 1c	14.1M€	16.3M€			
	Farm Level LFA	13.3M€	16.0M€		12.2M€	12.8M€
	Farm Level Land Type 3	13.1M€	14.8M€		14.5M€	12.7M€
	Farm Level Land Type 2				14.8M€	
Parish Based	Parish LCA 1a	11.9M€	13.6M€		12.3M€	11.5M€
	Parish LCA 1b	12.3M€	14.3M€			
	Parish Historical SFPS	12.1M€	13.0M€			
	Parish Land Type	12.4M€	13.9M€		13.6M€	12.1M€

Commentary

The pattern in terms of overall spend is less clear – reflecting the modest differences between the scenarios which in turn reflect the modest area being considered in the analysis. The economic budgeting option has more of the higher payment options while historic and particularly environmental have more of the lower. This means that Historic sites do not necessarily benefit from the same scenarios as those favouring Environmentally designated areas.

Relative change for Phase 1 Scenarios

The following charts order the Phase 1 modelling scenarios in terms of their magnitude of change relative to the progressively flattened baseline. Note the caveats to this analysis mean that the ordering is significant but the absolute values for change are likely to be underestimates (i.e. losses are overstated and gains are understated).

Designated Areas – change vs. Baseline

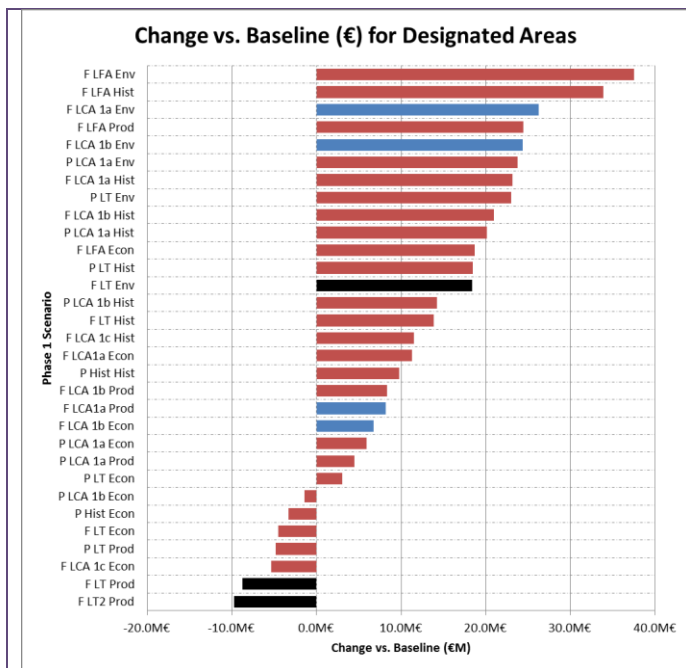


Figure 5: Change vs. Baseline (€) for Designated Areas

Commentary

The key result here is that all the first and second choice production weighted scenarios from the Phase 1 modelling are in the lower third of outcomes in terms of gains or loss for Designated sites. While, for the reasons stated above, the absolute value of this loss is probably overstated, land type regionalisation combined with production weighting does result in the least beneficial outcome for Designated sites (when ordered by change versus the baseline). It can be seen by comparing the land type scenarios (black) with the LCA scenarios (blue) that regionalisation choice does have some effect but that the primary driver in terms of outcome is the parameterisation of the budgeting decisions. This is significant in raising questions of whether F-LT-Prod options as currently parameterised is striking the correct balance between production and environmental policy goals.

Historic Sites – change vs. Baseline

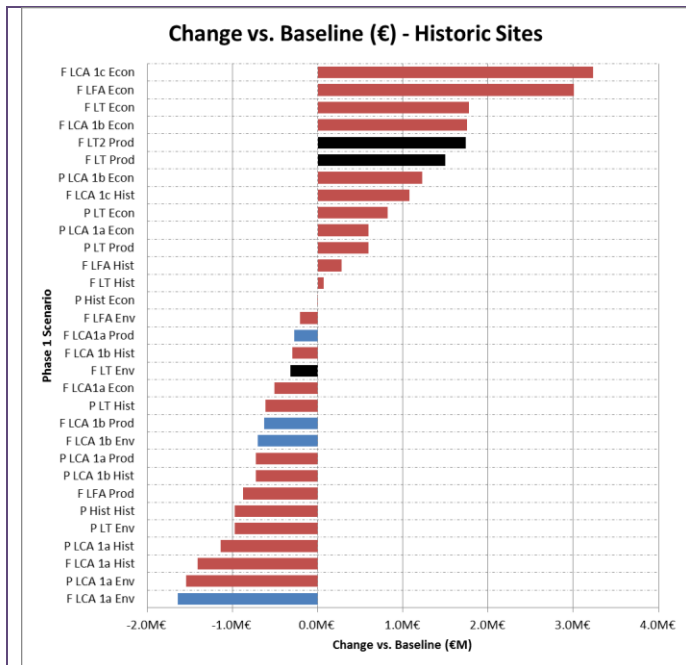


Figure 6: Change vs. Baseline (€) for Historic Sites

Commentary

The figure emphasises that for Historic sites the LCA based options from the Phase 1 modelling result in less advantageous outcomes than the F-LT-Prod (compare the LCA based scenarios in blue with the land Type scenarios in black). The best LCA based option is F-LCA1a-Prod but this still has a small overall reduction. Note, however, the range of values that can occur for the same regionalisation depending on the budget option adopted. Options using economic budget options occupy six of the top ten options.

Scenario Comparisons

The presentation of comparisons across all scenarios is challenging, particularly when it is desirable to assess regional and/or sectoral breakdowns. It is possible to gain useful insights from pairwise comparison, and these are tractable for regional and sectoral breakdowns. For Designated areas the comparison is between Farm level – Land Type – Production (F-LT-Prod) and Farm level – Less Favoured Area – Environment (F-LFA-Env). F-LT-Prod is the

three region, land type based scenario employing a podium weighting with highest payments to middle quality land. F-LCA-Env is also a three region scenario but in this case with a 10% uplift to the lowest quality land relative to that provided by the progressive flattening of historic entitlements.

F-LT-Prod is also used in the comparisons for Historic sites since while it is not the scenario that results in the highest rates of payment to such sites, it is the 5th highest and one of the first choice regional models. F-LT-Prod is compared to Farm Level – Land Capability for Agriculture 1a – Environment (F-LCA1a-Env). This scenario, uses a two region, LCA based regionalisation combined with a 10% uplift to the lower quality land relative to that provided by progressive flattening of historic entitlements. This results in the lowest overall allocation of funds to Historic sites.

Designated Areas – Scenario Comparisons

Sectors

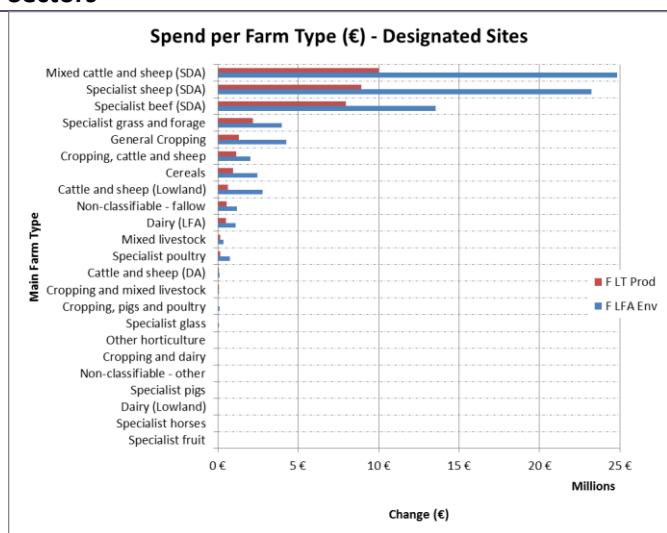


Figure 7

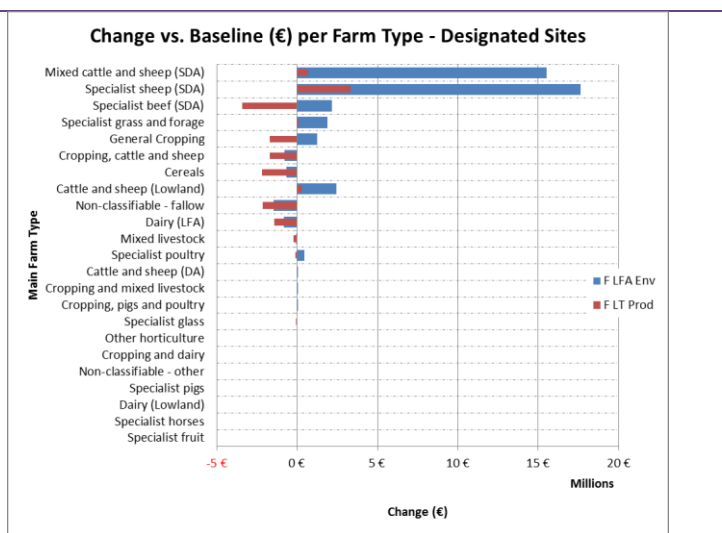


Figure 8

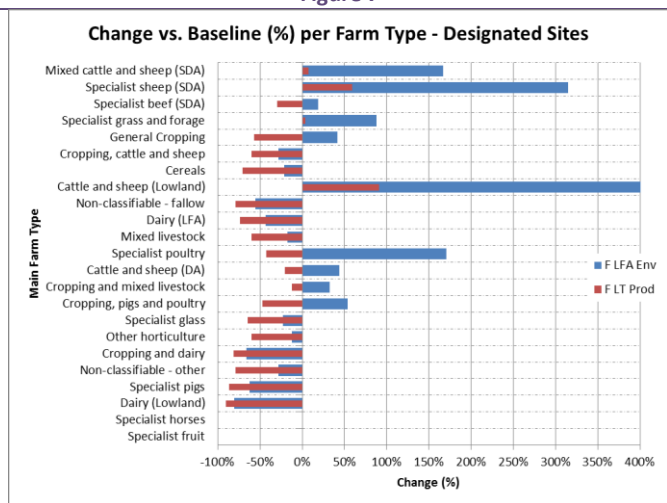


Figure 9

Commentary

In terms of overall spend per farm type the difference between the two scenarios is in the magnitude of expenditure. That is, there is no strong difference in the relative order of farm types that would indicate any kind of sectorial bias between the two options. For the change chart it is possible to see the substantial increases for the specialist sheep and mixed cattle and sheep types that would be associated with F-LFA-Env. For F-LT-Prod there are small reductions for most farm types, with the largest (but still small) reduction experienced by specialist beef. When the changes are expressed as percentages of baseline values then there are substantial increases for the less extensive farm types in F-LFA-Env but substantial reductions (>50%) for several farm type under F-LT-Prod. The percentage increases for specialist sheep and mixed cattle and sheep in F-LFA-Env are both over 150%.

*Note for % change – the value for F-LFA-ENV Cattle and Sheep (Lowland) is 750% from a very small Baseline value

Geographical Regions

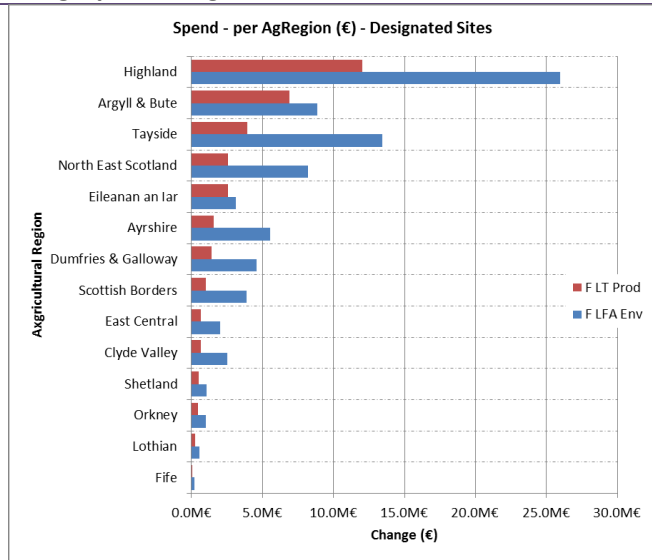


Figure 10

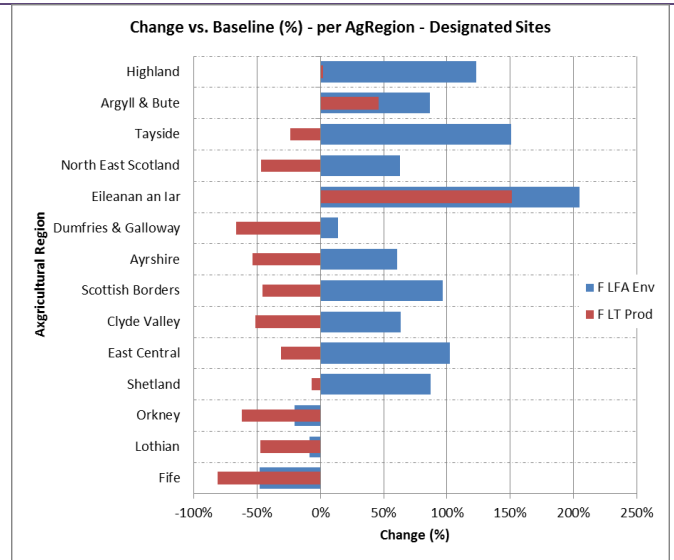


Figure 11

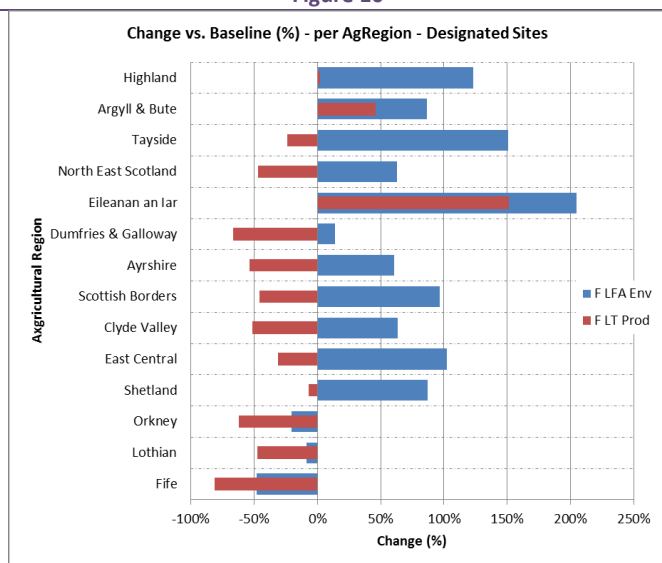


Figure 12

Commentary

Again for overall spend for AgRegions there are not strong differences in the relative ordering, more a difference in the overall budget. Only in Argyll and Bute and the Western Isle do both scenarios result in substantive net gains (Highland does so only marginally). For F-LT-Prod the reductions as a percentage of the baseline are substantial (but again note that this will to some degree reflect the issues of averaging historic entitlements overall all land in a business).

Historic Sites – Scenario Comparisons

Sectors

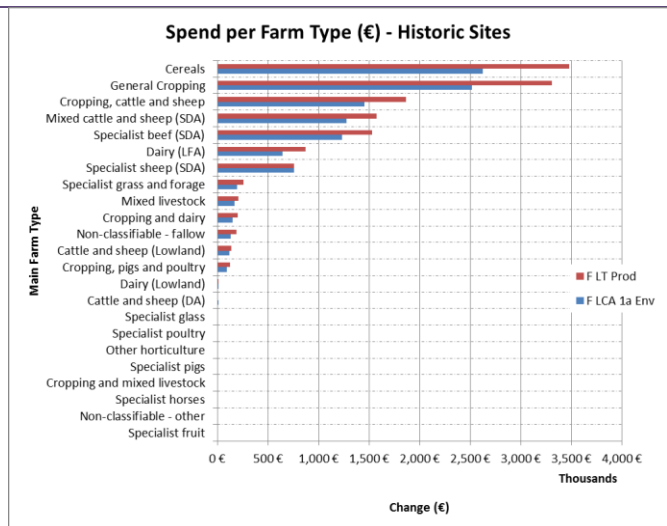


Figure 13

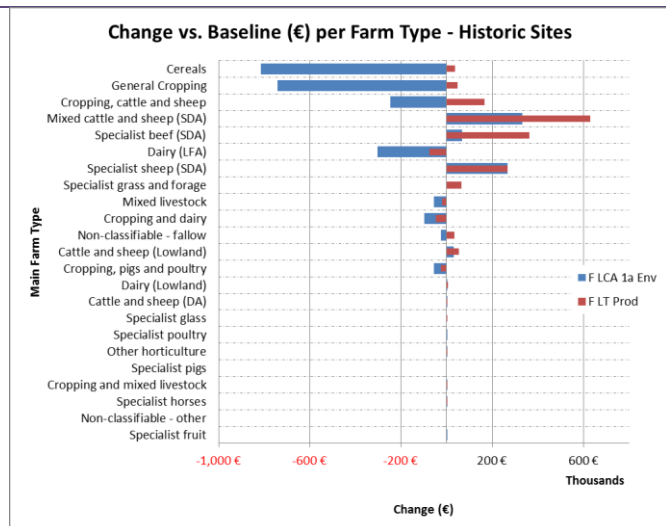


Figure 14

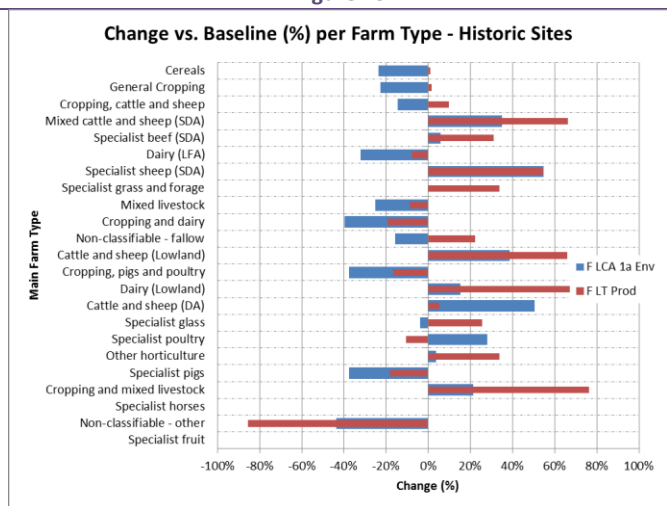


Figure 15

Commentary
 Note in particular the small magnitude of spend that is being assessed. Overall the F-LT-Prod scenario sees increases for most farm types but in percentage terms these tend not to be as large as those seen for the Designated areas since entitlements values will tend to be higher for historic sites, especially for those associated with lowland arable systems. Since the magnitudes are so small it is probably unwise to draw very detailed conclusions other than the contrast to Environmental designations in terms of the scenario options that result in maximal benefit.

Geographical Regions

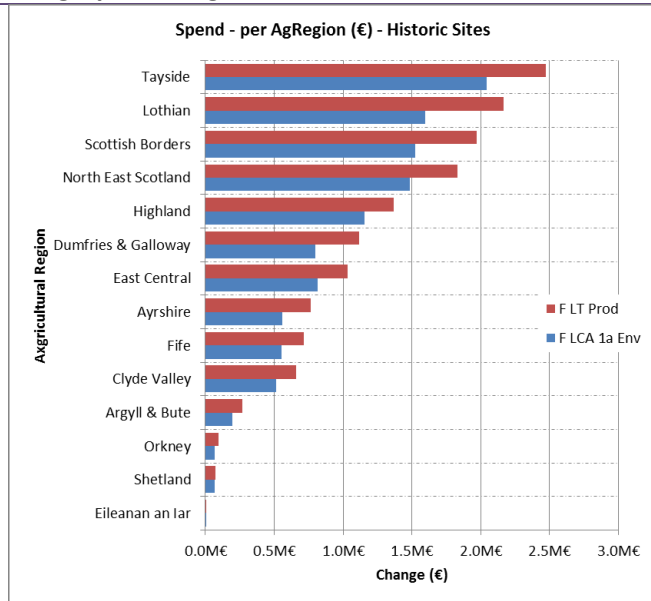


Figure 16

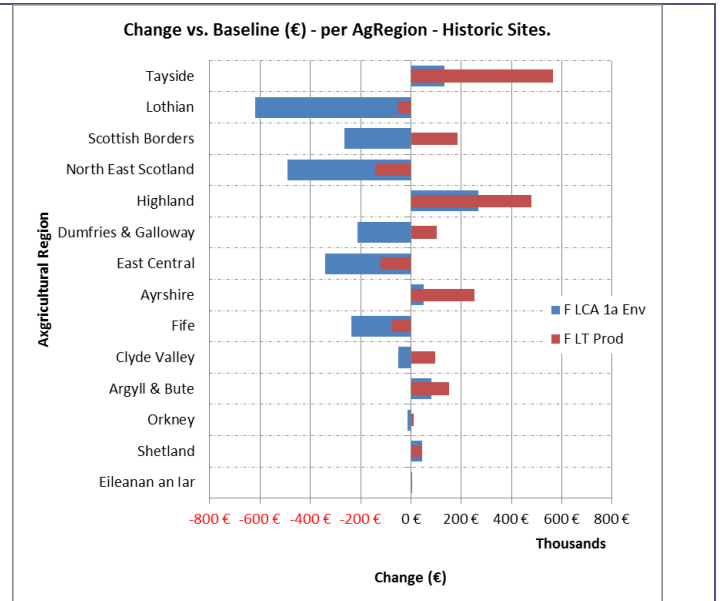


Figure 17

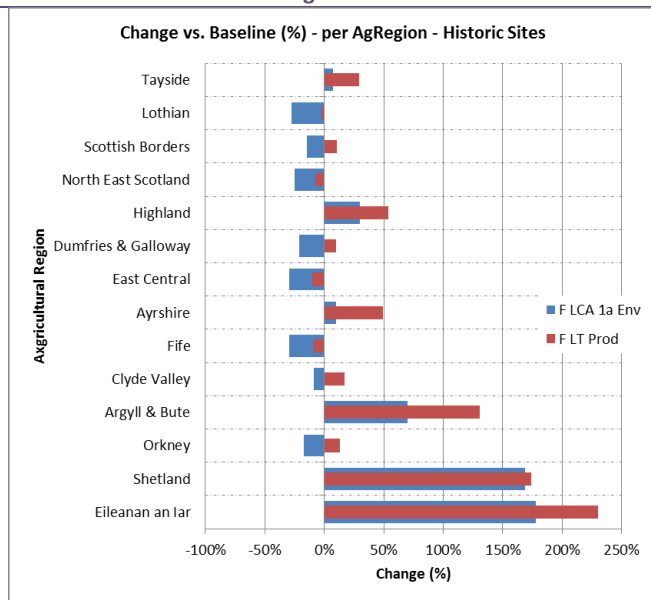


Figure 18

Commentary

Regionally there are limited differences between the scenarios in terms of spend. One noteworthy feature is that for both scenarios there are substantial percentage increases for Argyll and Bute, Shetland and the Western Isles.