



The future of strategic land use planning

Report for Scottish Environment LINK
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Executive summary

Decisions around land use are a crucial nexus for enabling positive outcomes for our environment, rural communities, and all species around the globe. Scotland is world-leading in advancing the thinking about how multifunctional landscapes can deliver for each of the communities embedded in local places. Scotland's Land Use Strategy (now in its third edition) is a useful visioning tool for what these landscapes could look like around the country, providing illustrated examples for different areas such as farmland, islands, and settlements. However, this document and other Scottish Government strategies and policies lack suitably clear delivery mechanisms to accelerate the pace and scale of land use changes necessary to achieve Scotland's goals for biodiversity and climate change.

Regional Land Use Partnerships (RLUPs) are a promising model which could provide key infrastructure to give the Land Use Strategy traction on the ground, thereby providing a joined-up system of strategic land use planning from project to national scales. At the national level, policymakers seek to work in alignment with one another but are still limited by sectoral plans and siloes. On the ground, local landscape-scale partnerships and initiatives have been most successful at delivering projects, but these similarly tend to target specific issues. By creating a Regional Land Use Framework (RLUF) which identifies the areas of opportunity and has buy-in from local communities, RLUPs could be instrumental in guiding the work of local partnerships, helping them to access funding streams by showing how they are in alignment with regional priorities and contribute to national targets. For the same reason, RLUFs could be a game changer for channelling private finance into nature restoration in Scotland, by identifying areas of opportunity where natural capital projects will have cross cutting benefits for carbon, biodiversity, and local communities, a key priority of the Natural Capital Market Framework. A regional-level environmental group will be essential to recognising strategic habitat corridors - RLUPs are ideally placed to implement Nature Networks within and across local authorities in Scotland.

The RLUP pilots which have run to date have shown extremely promising results and could achieve significantly greater impacts if they can secure adequate commitment from Scottish Government; specifically:





- Re-commitment to the RLUPs as a model with an increased level of ambition and urgency; Rolling RLUPs out across Scotland to achieve national coverage as soon as possible, capturing their successes, institutional knowledge, and momentum of the current pilots.
- 2. Providing RLUPs with resources which are proportional to the scale of their remit and potentially transformative value in achieving goals for nature connectivity, climate action, and local communities.
- 3. Producing a specific and timely road map for RLUP and RLUF implementation across Scotland.
- 4. Ensure that RLUFs outline how their region will deliver against national climate and nature targets, informed by engagement and co-production with local communities and stakeholders to match national ambition with local priorities and opportunities.
- 5. Commit to develop mechanisms for RLUPs to inform decision making on aspects of public spending: for example, by competitive public funding (e.g. the Nature Restoration Fund) prioritising projects aligned with RLUF priorities, or by giving RLUPs a coordinating role for collaborative projects supported by agricultural funding.
- 6. Utilise the potential of RLUPs to influence high integrity private investment in nature, including through opportunity mapping and in aggregating smaller projects into larger scale opportunities.

At the local level, landscape scale initiatives have a demonstrated track record of delivering effective projects on the ground, in Scotland and internationally. These groups should be supported and enabled to scale up their activities. A recent report highlighted the key factors which would be most impactful in enabling these partnerships to bring more projects forward:

- 7. Investing in existing structures for enabling collaboration, including RLUPs (as above), as well as farmer clusters and Deer Management Groups;
- 8. Access to suitable and integrated funding mechanisms to support more collaborative landscape management, potentially through accessing nature markets;
- 9. Provision of funding for facilitation, analogous to Defra's Countryside Stewardship Facilitation Fund (CSFF);
- 10. Continued support for forums for sharing and learning, such as the Facility for Investment Ready Nature in Scotland (FIRNS) Community of Practice and the Farm Advisory Service (FAS).¹

¹ S Poskitt, R Gray, K A Waylen, G Begg (2024) Enabling collaborative landscape management in Scotland – the stakeholder view. Report for ClimateXChange. https://www.climatexchange.org.uk/projects/enabling-collaborative-landscape-management/





Scotland already has much of the infrastructure needed to deliver all its environmental objectives and the most expedient route to impact does not involve reinventing the wheel. The key need is for people who are enabled to act as connectors, joining national targets and existing resources with local groups who have the skills and connections to get the work done.





Contents

E	Executive summary	1
1.	Introduction & policy context	5
1	.1 Scotland's climate and nature goals	6
2.	Scotland's Land Use Strategy	11
2	2.1 Scotland's Fourth Land Use Strategy	12
3.	Regional Land Use Partnerships (RLUPs)	14
3	3.1 RLUP current position	15
4.	Learnings from international and other peer systems	18
2	4.1 Role and remit of strategic land use planning systems	22
5.	Opportunities for directing funding	27
Ę	5.1 Public funding	27
Ę	5.2 Private finance	30
6.	Opportunities to deliver for local communities	32
7.	Conclusions & recommendations	36
Ар	pendix 1: Theoretical foundations for landscape-scale governance	39
•	pendix 2: Excerpt from policy brief on integrating natural capital markets:	44





1. Introduction & policy context

Strategic land use planning is the process of optimising the use of land to address multiple objectives, sustainably, into the future. We rely on the land to deliver a wide range of ecosystem services, and these hinge on good stewardship of the underlying ecosystems. Through developing an understanding of stocks, flows, and pressures of natural resources in a given area, strategic land use planning should seek to guide decisions around land use and land use change to meet the needs of the current population (including other species) and protect, maintain, and expand these resources for future generations.

Strategic land use planning is a necessarily collaborative process because land in Scotland is owned, managed, and inhabited by a wide range of different actors and communities. Decisions relating to land are long-lasting and have cross-cutting effects, therefore requiring substantive consultation, at the least, and ideally should involve participatory co-creation to be as fair and future-proof as possible. Scottish Government has recognised this through the publication of the Land Rights and Responsibilities Statement and their Guidance on Engaging communities in decisions relating to land.

Strategic land use planning is important because it represents an essential check on development and land management which pursues a narrowed list of objectives. Because our land is a finite, non-renewable resource upon which we all rely, large-scale interventions which span many hectares must account for the needs of the local, affected, and interested communities. Scottish Government has committed to reversing the decline of biodiversity and de-carbonising the economy by 2045, both of which require rapid and large-scale changes in land use and management. Strategic land use planning is essential to unlocking these urgent outcomes because it brings together the needs of different sectors, scales, and actors to find cross-cutting solutions and avoid conflicts and adverse results. By taking different viewpoints and rising above administrative boundaries, strategic land use planning also identifies and enables collaborative and cross-boundary projects such as Nature Networks, which are essential to addressing the twin crises.

Strategic land use planning is the key piece of missing policy and organisational infrastructure with the potential to join up and multiply the many positive existing examples of land use change and nature-based solutions projects in Scotland.

Addressing this gap is a crucial step towards achieving the pace and scale required, delivering just outcomes for embedded communities, and making the most efficient use of resources in doing so.





1.1 Scotland's climate and nature goals

The key policies that exist to address the climate and nature crises in the terrestrial environment are captured in **Table 1**.

Table 1: Key policies that exist to address the climate and nature crises in Scotland's terrestrial environment.

Environment Strategy (2020)	The Environment Strategy is the overarching framework for Scotland's environment and climate policies. It brings together in one place our plans and actions designed to tackle the twin crises in nature and climate. The strategy aims to strengthen the connections between environmental policy and policies across government. The Environment Strategy will sit alongside existing high-level Scottish Government policy frameworks, including Scotland's Economic Strategy, the Fairer Scotland Action Plan, the National Transport Strategy and the National Planning Framework.
Scottish Biodiversity Strategy (2022) and 30x30	This strategy sets out a clear ambition: for Scotland to be Nature Positive by 2030, and to have restored and regenerated biodiversity across the country by 2045. The Scottish Government's vision is: (1) By 2045, Scotland will have restored and regenerated biodiversity across our land, freshwater and seas. (2) Our natural environment, our habitats, ecosystems and species, will be diverse, thriving, resilient and adapting to climate change. (3) Regenerated biodiversity will drive a sustainable economy and support thriving communities, and people will play their part in the stewardship of nature for future generations.
	The commitment to protect 30% of our land and seas for nature by 2030 (known as 30 by 30) is a key delivery mechanism for achieving the vision set out in the Biodiversity Strategy and forms an important part of the Delivery Plan. The Scottish Government proposes that a natural environment Bill include provisions that help Scotland to deliver 30 by 30 by modernising our terrestrial and freshwater protected areas and making sure they are effective in protecting and restoring our important nature.
Nature Networks	A Nature Network connects nature-rich sites, restoration areas, and other environmental projects through a series of areas of suitable habitat, habitat corridors and stepping-stones. As well as supporting regional and national approaches to protect and restore nature, they provide local benefits to wildlife and people. To ensure Scotland's nature can thrive, nature-rich areas must be connected through a series of networks linking them all together. ²

² NatureScot (2024) Nature Networks explained. https://www.nature.scot/home/nature-networks-toolbox/what-are-nature-networks/nature-networks-explained





Climate Change Plan (2018-2032) & Scottish National Adaptation Plan (2024-2029)	This document updates the 2018 Climate Change Plan. The Scottish Government has committed to reduce emissions by 75% by 2030³ (compared with 1990) and to net zero by 2045. This Scottish National Adaptation Plan sets out actions to build Scotland's resilience to climate change. It does this through support for our communities, businesses, public services and nature to adapt to the changing climate in a way that is fair and inclusive. The Adaptation Plan sets out a long term vision and defines Scotland's priorities for action over the next five years. The Climate Change (Scotland) Act 2009 contains a legal duty across the public sector to help deliver the objectives, and the Adaptation Plan describes how we will support Scots to adapt and continue to live well in Scotland's changing climate.
Scotland's Land Use Strategy	See Scotland's Land Use Strategy.

Scotland's land is managed through a number of frameworks and policies, including national-level policies, captured in **Table 2**.

Table 2: National and sectoral policies which are the main governance on land use in Scotland.

Cross-cutting plans	
National Planning Framework 4 (NPF4) (2024–2034)	This forward-looking, statutory development plan brings together a long-term spatial strategy and national planning policies. This document is built around the climate and nature crises, with the intention of future-proofing development for the generations to come. The NPF is informed by Regional Spatial Strategies, Local Development Plans (statutory, compiled by planning authorities), and Local Place Plans (put forward by communities). These local-level plans impact on planning permissions. ⁴
	The national framework sets out the direction of travel for government priorities for infrastructure investments, detailing how these are in line with and support other policy objectives, including 'significant biodiversity enhancements are provided [within national or major development], in addition to any proposed mitigation. This should include nature networks, linking to and strengthening habitat connectivity within and beyond the development.' (p.38)

³ Now scrapped – See <u>Climate Change Committee</u>, <u>ChangeWorks</u>.

⁴ Scottish Government (2023) Local development planning guidance. https://www.gov.scot/publications/local-development-planning-guidance/





	Rural College (SRUC)
Land Rights and Responsibilities Statement (2022)	Seven principles which support the vision: A Scotland with a strong and dynamic relationship between its land and people, where all land contributes to a modern, sustainable and successful country, supports a just transition to net zero, and where rights and responsibilities in relation to land and its natural capital are fully recognised and fulfilled.
Just Transition Plans (2021)	Within the [Just Transition] Commission's call for an orderly, managed transition was the recommendation to create specific Just Transition Plans for high-emitting industries.
National Strategy for Economic Transformation (NSET) (2022-2032)	Sets out the priorities for Scotland's economy as well as the actions needed to maximise the opportunities of the next decade to achieve the Scottish Government's vision of a wellbeing economy.
Sectoral level plans	
Rural Support Plan (2024)	The Scottish Government is committed to ensuring that tenant farmers, smallholders, crofters, new entrants and land managers are given equality of opportunity to allow them to play a key role in making Scottish Government's Vision for Agriculture a reality.
	From 2025 support framework will be aimed at delivering against the following five outcomes. Scottish Government has stated that at least half of all funding will be targeted towards outcomes for biodiversity gain and climate mitigation and adaption. (1) High Quality Food Production – the primary food production sector is a productive sector of the economy and ensures we meet more of our own food needs more sustainably. (2) Thriving Agricultural Businesses – profitable and resilient agricultural businesses support local livelihoods, supply chains and the wider rural economy. (3) Climate Change Mitigation and Adaptation – greenhouse gas emissions from the agricultural sector are reduced in line with the CCP, and the ability to adapt to climate change is increased. (4) Nature Restoration – there will be substantial regeneration in, and maintenance of, biodiversity, ecosystem, and soil health on agricultural land. (5) Support for a Just Transition.
National Peatland Plan (2015)	By 2030, the Scottish Government wants to see peatlands in a healthy state and widely regarded as resilient. By now there will be global recognition of the multiple benefits of peatlands to society, reflected in the level of support directed at ensuring their management as healthy ecosystems. Funding for stewardship will have extended from public to private sources, with appropriate rewards for the benefits derived from the peatlands' natural capital and the services flowing from their healthy ecosystem functions. By now, peatlands are viewed as essential to the nation's wellbeing and natural capital.





Scotland's Forestry Strategy (2019-2029)	The Strategy has the principles of sustainable forest management at its core, including an adherence to the principle of 'the right tree, in the right place, for the right purpose'. In addition, by implementing the Strategy, the Scottish Government recognises the need for better integration of forestry with other land uses and businesses. This approach will enable forestry in Scotland to continue to deliver an extensive and expanding range of economic, environmental and social benefits, now and in the future.
River Basin Management Plans (2021–2027)	The River Basin Management Plans for Scotland set out a range of actions to address issues relating to water quality, water resources, and the migration of wild fish. They are produced by SEPA on behalf of Scottish Government. They cover actions for public bodies, industry and land managers in Scotland. They summarise: (1) the state of the water environment; (2) pressures affecting the quality of the water environment where it is in less than good condition; (3) actions to protect and improve the water environment; (4) a summary of outcomes following implementation.
Scotland's Energy Strategy	The Scottish Government's 2050 vision for energy is: A flourishing, competitive local and national energy sector, delivering secure, affordable, clean energy for Scotland's households, communities and businesses. This Strategy will guide the decisions that the Scottish Government, working with partner organisations, needs to make over the coming decades.
	Scotland's Energy Strategy will set a new agenda for the energy sector in anticipation of continuing innovation and investment. The interplay between land and sea will be critical, given the scale of offshore renewable energy resources. Could have significant impact on Scottish land use. (NPF4)

These plans, strategies, and frameworks set out the vision and overall direction of travel for all of Scotland's land. Because the use of the land affects all people, due diligence is essential to ensure that these plans avoid unintended consequences for climate and biodiversity action, local economies, and communities. Setting out a vision for the future and cross-referencing different sectoral plans to make sure they are aligned is time well spent — these are important guardrails to have in place, guiding long-term investments across the economy to align these to where we want to be in 2045 and beyond.

However, we know that rapid and large-scale changes within Scotland's landscapes are needed to make progress to achieve net zero and nature regeneration targets. Outside of the two national parks, NPF4 cannot direct rural land use, leaving a major vacuum in determining what happens in the areas most able to make an impact.





Sectoral plans are still siloed and restricted to their individual sectors. Each of these centralised plans contains targets and works to contribute to economic transformation and to address the climate and biodiversity crises, but there is a crucial lack of delivery mechanisms to realise these on the ground. How are these different targets balanced and reconciled on our finite land resource and in local areas? Where are these decisions made?





2. Scotland's Land Use Strategy

Scotland's Land Use Strategy is meant to fill this void and unite how these different objectives come together on the ground. Scotland led the UK in recognising land as a fundamental resource, citing its potential to deliver climate change mitigation through Scotland's Land Use Strategy (LUS). Mandated by the Climate Change (Scotland) Act 2009 and updated at five-year intervals, this national-scale, integrated land use policy framework is the first of its kind.^{5, 6} The three iterations that have been published thus far have built on each other, acting as a single body of work. LUS 1 (2011) identifies three objectives and ten principles for Scottish land use, centred around a single vision of "A Scotland where we fully recognise, understand and value the importance of our land resources, and where our plans and decisions about land use deliver improved and enduring benefits, enhancing the wellbeing of our nation" (LUS 1, p.3). LUS 2 (2016-2021) builds on that framework, setting out specific policies and actions in support of this vision. LUS 3 (2021-2026) is focused on making the Strategies accessible to the public, explaining the changes underway using visioning tools to clarify a holistic picture of sustainable land use.7 Taken together, the three strategies published thus far set out the high-level principles and help to imagine what our landscapes will look like in 2045 and beyond.

The LUS plan is intended to sit at the national planning level within Scottish legislation, on par with strategies such as the Regional Economic Strategy and reinforced by ideas within the Land Rights and Responsibilities Statement.⁸ Duplication of efforts is a common problem within this busy policy context and, instead of adding bureaucratic layers, the LUS seeks to integrate seamlessly with other plans and strategies, providing a land use foundation to which other plans can make reference and align actions. However, the LUS is strategic, providing a conceptual framing rather than legally binding regulation. As such, other plans, policies and strategies are not required to heed the principles and objectives in the LUS and landowners and users can only be strongly encouraged to align their practices with LUS outcomes. It is essential that the LUS be mainstreamed across the policy environment, dismantling siloes between land use sectors and driving a focus on a holistic, integrated, ecosystems approach to land use

⁵ Slee, Bill, Iain Brown, David Donnelly, Iain J. Gordon, Keith Matthews, and Willie Towers (2014). The 'squeezed middle': Identifying and addressing conflicting demands on intermediate quality farmland in Scotland. Land Use Policy 41: 206-216.

⁶ Scottish Government (2011). Getting the best from our land: A land use strategy for Scotland. https://www.gov.scot/publications/getting-best-land-land-use-strategy-scotland/

⁷ Scottish Government (2021). Scotland's Third Land Use Strategy 2021-2026.

https://www.gov.scot/publications/scotlands-third-land-use-strategy-2021-2026-getting-bestland/

⁸ Scottish Land Commission (2020). Advice to Scottish Government on the establishment of regional land use partnerships. https://www.landcommission.gov.scot/newsevents/news/regional-land-use-partnerships-to-help-drive-urgent-climate-action





policy. Embracing this ecosystems approach was part of the introduction of the LUS and remains a key part of its remit.⁹

At the time of writing, LUS 3 is still in effect. This edition made important progress towards breaking down siloes and providing a general audience with a vision for integrated land use across different Scottish landscapes (e.g. farmland, uplands, islands) and how achieving different sectoral land use targets could look in each of these landscapes. However, Scottish Government acknowledges that the LUS is more of a steering document, guiding and informing different policy areas, rather than being a driver of change.

2.1 Scotland's Fourth Land Use Strategy

Scottish Government is obliged to produce LUS 4 by end of March 2026. This plan will maintain the integrated approach of LUS 3, and the Scottish Government are aware of the ask to make the next 5-year plan more impactful as a driver of change. According to the Scottish Government, internal discussions have begun regarding the evolution of the LUS in this new version. There is a legal requirement to review and update its vision, objectives, and principles, as necessary, but beyond that, the document represents a blank canvas in terms of what else it can contain and how it can build on the previous iterations to realise integrated, sustainable land use in Scotland. At the time of writing, the Scottish Government is preparing to begin engagement with as many relevant parties as possible (beginning winter 2025), including Scottish Environment LINK and its member organisations, to understand what would make LUS 4 as useful as possible in enabling organisations closer to the ground to deliver the changes necessary. Possible resources might include signposting to data sources (e.g., GIS layers), opportunity mapping, analytical tools that can be made available to land managers, and decision–making frameworks.

This consultation phase represents a key opportunity to communicate key gaps in support at government level which stand in the way of implementing more projects on the ground (see **Conclusions & recommendations**). However, while a focus on

⁹ Scottish Government (2011) Applying an ecosystems approach to land use: information note. https://www.gov.scot/publications/applying-ecosystems-approach-land-use-information-note/

¹⁰ Action 30.3 of the Scottish Biodiversity Delivery Plan, nested under 'Mainstream and integrate biodiversity policy across government' p.53

documents/scottish-biodiversity-delivery-plan-20242030/document/scottish-biodiversity-delivery-plan-20242030.pdf

¹¹ Discussion with Keith McWhinnie, Head of Land Use Strategy, Regional Land Use Partnerships and Land Use and Agriculture Just Transition Plan, Scottish Government. 30 Oct 2024.





making LUS 4 more practically useful and impactful is welcome, it is unlikely that this document will evolve "teeth," or any sort of statutory footing, to become more than a steering instrument by March 2026. Therefore, while the context and framing are useful, the key avenues to near-term impact are elsewhere.





3. Regional Land Use Partnerships (RLUPs)

Because the Land Use Strategy covers all of Scotland, it is necessarily generalised to be applicable to the many diverse landscapes within it. However, these land use changes will require action within individual landholdings and communities across Scotland. To address this fundamental problem of bridging scales, LUS 2 (2016) announced the rollout of Regional Land Use Partnerships (RLUPs). Intended to give the LUS traction on the ground, these Partnerships were planned to be steered by a multiparty board composed of government, land-based industry, and community representatives, who would co-create land use objectives for the region. The 2020 Programme for Government restated the commitment of rolling out RLUPs from 2021, and national coverage of 12–15 Partnerships across Scotland was planned for 2024–25.12

The central goal of RLUPs is to facilitate local engagement to enable the creation of a Regional Land Use Framework (RLUF), an integrated plan which collates the many interests in the region, identifying areas of opportunity to deliver multiple benefits through specific land use change projects. Driven by the experience of different sectors and using the latest data available, RLUFs are meant to identify key priorities and opportunities for cross-cutting projects, contributing to tackling the twin climate and environment crises. The Framework also "aims to identify where potential conflicts may arise between alternative land uses and suggest how these might be explored and trade-offs identified between competing policy priorities." This document could then be used to guide land use decisions (and in theory, funding) within the region, other regional plans cross-complying with the standards set in the RLUF. Consistent with the principles and objectives in the LUS, these RLUFs will deliver on nation targets by leveraging changes at regional and local scales.

RLUPs have the potential to be a fit-for-purpose mechanism for integrating national and sectoral goals to realise the outcomes of the LUS on the ground. They occupy a suitable scale and could link into key decision-making networks to create a coherent, regional land use change strategy and rapidly put it into practice. There is a wide body of literature which supports landscape-scale, polycentric governance of natural resources / natural capital (see

¹² Scottish Land Commission (2020). Advice to Scottish Government on the establishment of regional land use partnerships. https://www.landcommission.gov.scot/newsevents/news/regional-land-use-partnerships-to-help-drive-urgent-climate-action

¹³ Scottish Government (2021c). Regional Land Use Partnership (RLUP) Pilots: Project Specification: South of Scotland Region.

¹⁴ Scottish Borders Council (2015). Scottish Borders Pilot Regional Land Use Framework. https://www.scotborders.gov.uk/downloads/file/2216/lus_framework





Appendix 1: Theoretical foundations for landscape-scale governance).

Academics, some community groups, and eNGOs continue to call for suitable strategic land use planning, which would support the necessary deployment of resources to achieve the pace and scale of projects required, and RLUPs / RLUFs could be essential infrastructure which would contribute to filling the current gap. Scottish Environment LINK called for the implementation of Land Use Frameworks in their 2021 manifesto. RLUFs could deliver cross-cutting impacts for several of their key actions, including:

- Delivering a nature-rich Scotland via Nature Networks
- Targeting sufficient funding to address the nature and climate emergencies
- Implementing sustainable deer management
- Ensuring we get 'the right tree in the right place'.15

3.1 RLUP current position

To date, Scottish Government has taken a pilot approach towards rolling out RLUPs. The Scottish Government ran two pilots between 2013–15 to investigate the applicability and stakeholder response to partnership working at the regional level. These pilots, which ran in the Scottish Borders and Aberdeenshire council areas, conducted baseline mapping, identified opportunities and constraints, and created draft framework documents. From these successes, five further pilots ran from 2021–23, with expanded remits given in **Box 1**.

Box 1: Action items from the Scottish Government Project Specification for the 2021–23 South of Scotland RLUP pilot.¹⁷

Phase 1 (to end 2021): RLUP structures

- Determine who the relevant stakeholders are in the region and build relationships with them
- Detect and evaluate partnership and collaborative working arrangements already in place in the region and determine how the RLUP will work alongside these

¹⁵ Scottish Environment LINK (2020) A manifesto for nature and climate – Holyrood 2021 Election. Accessed 9 Oct 2024. https://www.scotlink.org/wp-content/uploads/2020/09/Manifesto-2021-full-version-FINAL-1.pdf

¹⁶ The 2013-15 pilots were called 'Land Use Strategy pilots' – See outcomes from the Scottish Borders pilots here: https://www.scotborders.gov.uk/environment/biodiversity/4

¹⁷ Scottish Government (2021). Regional Land Use Partnership (RLUP) Pilots: Project Specification: South of Scotland Region.





- Establish a governance structure for the RLUP pilot that ensures accountability and transparency
- Decide how members will be chosen and appoint them

Phase 2 (to end 2023): Regional Land Use Frameworks (RLUFs)

- Develop the RLUF in a collaborative way, engaging stakeholders throughout
- Determine how the RLUP will align with the Scottish Government's objectives for environment, link objectives to a Just Transition and Green Recovery
- Confirm how land use opportunities will be assessed, acted on and evaluated
- Determine how data and evidence (including mapping) will be used to enable a natural capital approach to decision making
- Decide how frequently the RLUF will be updated to ensure its validity

Phase 3 (2023 onwards): RLUP active

 Deliver the objectives in the Framework by making collaborative land use change decisions in the region

Table 3 gives an overview of the five RLUP pilots which ran between 2021–23. Four of the five delivered their objectives in full, including all necessary engagement and an understanding of the challenges and opportunities in their region.

Table 3: Update on the existing RLUP pilot areas.

South of Scotland (SoS)	Identified the opportunity to work with South of Scotland Enterprise, the regional development body. This was an effective lead organisation and assisted with wider integration, for example linking the RLUP into the Regional Economic Strategy and Regional Economic Partnership (REP). Completed substantive engagement, including putting their draft RLUF out for consultation. Published final version of RLUF in October 2024; This document has the endorsement of the REP and both local councils.
Highland (NW2045)	Scaled down their geography to just that of the Northwest 2045 (NW2045) partnership. Procured <u>a natural capital baseline</u> <u>assessment</u> for the area. NW2045 embraced a bottom-up approach, very much starting with local communities, through their <u>Land+ project</u> , deploying innovative techniques to facilitate productive engagement with many of the area's landowners.
Loch Lomond & the Trossachs National Park (LLTNP)	Both national parks rolled the execution of their RLUP asks into their Park Partnership Plans, as these were very much aligned with their existing remit for delivering integrated land management within their boundaries. LLTNP Park Partnership Plan is here .





	LLTNP also engaged with the Loch Goil Community Trust around land use visioning and assisted them with their Local Place Plan as part of their process. This work has the potential to inform wider consideration of the park's Local Development plan, and continues to be a good example of an RLUP bridging scales to connect local and regional priorities.
Cairngorms National Park (CNPA)	Both national parks rolled the execution of their RLUP asks into their Park Partnership Plans, as these were very much aligned with their existing remit for delivering integrated land management within their boundaries. CNPA Park Partnership Plan is here .
	Work is now underway to consider how data on deer densities in a sub-region of the park can support Deer Management Groups to protect certain habitats from over-grazing.
Northeast Region (NE)	Withdrew in December 2023 due to unforeseen difficulties in securing resources to maintain works.

Four of the five pilots are regarded as a success and exceeded expectations in some areas, especially considering the limited budgets which they were allocated. The local councils, communities, and NGOs which delivered the pilots recognised the value an RLUP could bring and creatively sourced funding to carry the work forward, including significant in-kind contributions of their own time and resources. This flexibility to stretch the available budget was a key advantage of a partnership / peri-government approach. The pilot process has created significant knowledge sources and shared learning. The RLUFs provide an unprecedented understanding of regional contexts, local priorities, and the abilities of each region to help deliver on national land use change targets. In the South of Scotland, in particular, the principles from the RLUF regarding land use and natural capital have been integrated into the council-level plans for economy and prosperity.

There has been a commitment from Scottish Government to continue the RLUP programme for the next three years, with budget to transition the existing RLUPs from pilots to more formal initiatives, functional partnerships which lead to delivery and onthe-ground changes. The immediate next step will be to go back to the pilots to understand what support they require to take these next steps and continue their work. This report calls for a sharp increase in the aspiration and scale of this commitment to RLUPs as a model because of the urgent need for strategic land use planning in Scotland.





4. Learnings from international and other peer systems

A number of studies have reviewed different conservation and nature-based solutions initiatives across Scotland, the UK, and internationally. This section highlights some key case studies which are achieving success across different scales and contexts and draws out some similarities and lessons for Scotland.

Table 4: Successful Scottish and UK landscape partnerships managing for multiple objectives

Deer management groups (Scotland wide)	Voluntary Deer Management Groups (DMGs) cover most of Scotland's upland red deer range and adjacent land. Managing herds of red deer where they range across vast tracts of upland terrain benefits from a collaborative approach.
	Each group comprises representatives from landholdings within the group's area. The diversity of owners and their management objectives within groups is increasingly varied. Proactive engagement from landowners within the group's area is important to ensure the deer are managed in a way which best meets the different aims of the various landholdings.
Findhorn Watershed Initiative	The Findhorn Watershed Initiative is a multi-generational vision to restore a mosaic of nature rich habitats, grow a local culture of nature connection and enable a thriving nature-based economy for the people and places of the Findhorn watershed, from the Monadhliath Mountains to the Moray Firth.
Central Scotland Green Network (CSGN)	Designed to support, link up and build on existing partnerships and programmes with the objective of improving the social, physical, cultural, and environmental wellbeing of central Scotland. The network is made up of quality environments where people live and work; network connections for people and wildlife; and nature-based solutions that contribute to net zero and climate resilience. The CSGN is a 40-year programme with the aim of changing the face of central Scotland by restoring and improving its rural and urban landscape. Our vision is that by 2050, central Scotland will be transformed into a place where the environment adds value to the economy and where people's lives are enriched by its quality.
Farmer clusters, such as the Selborne Landscape Partnership	The Selborne Landscape Partnership (SLP) is a cluster of 27 farmers and conservationists restoring nature across the countryside that was home to Gilbert White, pioneering ecologist and the writer Jane Austen. Since 2014, whilst doing the day job of producing food, SLP members have been





Landscape Enterprise Networks	improving habitats to establish wildlife corridors on a bigger, more joined-up landscape scale. A system for organising the buying and selling of nature-based solutions. Nature-based solutions are land management
	measures that deliver ecosystem functions, such as water quality management, flood risk management, resilient supply of crops, carbon, or biodiversity outcomes.
Oxford-Cambridge Arc	A globally significant area between Oxford, Milton Keynes and Cambridge. It is formed of five ceremonial counties: Oxfordshire, Bedfordshire, Buckinghamshire, Northamptonshire and Cambridgeshire. It supports over two million jobs, adds over £110 billion to the economy every year and houses one of the fastest growing economies in England. There is an opportunity, recognised by government and local partners, to build a better economic, social and environmental future for the area. With high-quality, well-connected and sustainable communities making the Arc an even more beautiful place to live, work and visit.

Table 5: Successful Scottish and UK landscape partnerships managing for single or narrowed objectives. Each of these initiatives focuses on a single issue, however some of them have opened their remit to cross-cutting solutions.

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Tweed Forum	Tweed Forum was formed in 1991 to "promote the sustainable use of the whole of the Tweed catchment through holistic and integrated management and planning". In close partnership with our members, Tweed Forum staff work to protect, enhance and restore the rich natural, built and cultural heritage of the River Tweed and its tributaries. The Forum works at both the strategic level and the project level in order to achieve tangible benefits on the ground. From our inception as an informal liaison group, we have grown to become a leader in the field of integrated land and water management.
Working for Waders	Started in 2017 to tackle the decline of wading birds across Scotland. The project is open to anyone with an interest in waders and is currently supported by a wide range of charities, organisations and individuals, from farmers and conservationists to gamekeepers and birdwatchers.
Dee Invasive Non-Native Species Project (DINNs)	A catchment-wide partnership initiative which aims to coordinate the control and monitoring of Invasive Non-Native Species (INNS) within the Dee catchment to ensure a joined-up approach to INNS management is delivered. The project will also work to raise awareness of invasive non-native species





	and biosecurity within the Dee catchment to ensure our native wildlife is protected for the future.
Riverwoods	The key purpose of the Riverwoods initiative is to create a network of riparian woodland and healthy river systems throughout Scotland, which will deliver a range of benefits including flood protection, improved water quality and improvements for salmon fisheries, as well as helping to tackle the twin challenges of climate change and biodiversity loss. Many organisations and landowners are already undertaking river restoration projects, and Riverwoods will provide an opportunity to help join these up across Scotland. We will collectively share knowledge of the science underpinning riparian restoration, support landowners to carry out practical work, identify and address evidence gaps, showcase best practice and explore novel forms of financing to enable riparian restoration to be carried out at scale.

Table 6: International examples of strategic land management planning aimed at enhancing biodiversity outcomes.

EU Interreg Partridge project	The PARTRIDGE project aims to demonstrate how farmland biodiversity can benefit from measures developed for the grey partridge (a key umbrella species of farmland ecosystems) and consequently how agri-environment schemes can be improved across the region to better facilitate increases in farmland wildlife.
The Yellowstone to Yukon Conservation Initiative (Y2Y) - North America	This initiative seeks to create a connectivity corridor spanning over 3,000 kilometres from Yellowstone National Park in the U.S. to the Yukon in Canada. It incorporates sustainable landuse practices and collaborates with various stakeholders to facilitate wildlife movement and habitat preservation.
The European Union Natura 2000 Network - Europe	This is a network of protected areas designated under the EU Habitats Directive and Birds Directive. It aims to preserve valuable habitats and species across member countries by integrating conservation into land management practices. The network promotes sustainable use and connectivity between habitats.
Brazil's Atlantic Forest Restoration Pact - Brazil	This initiative aims to restore 15 million hectares of the Atlantic Forest by 2050, involving a coordinated effort among governmental bodies, NGOs, and local communities. The focus is on restoring key ecological functions and enhancing biodiversity by reconnecting fragmented habitats.





	Kurai College (SKOC)
The Great Green Wall Initiative – Africa	This ambitious project aims to combat desertification across the Sahel region by restoring 100 million hectares of land by 2030. It combines biodiversity conservation with sustainable land management practices to enhance ecosystem services and improve resilience against climate change.
The Kimberley Region Conservation Strategy	In Western Australia, this strategy focuses on protecting the unique biodiversity of the Kimberley region through a partnership among various stakeholders, including traditional landowners, local communities, and government agencies. It includes land use planning that balances development with conservation efforts.
The New York City Watershed Agreement	This collaborative framework involves multiple stakeholders in managing land within New York City's watershed to protect drinking water quality. It prioritises biodiversity and sustainable land management practices while allowing for rural economic development.
The Canadian Boreal Forest Agreement	This is a landmark partnership between environmental groups and the forestry industry aimed at protecting large areas of Canada's boreal forest. It includes a commitment to sustainable forestry practices and aims to maintain biodiversity through land-use planning.

In the recent ClimateXChange review of collaborative landscape management examples,¹⁸ the authors highlighted the following key enabling factors which make these types of initiatives function well:

Facilitation

Providing a dedicated leader who is there throughout the process of collaboration is essential for building trust and getting results. For projects seeking to operate across boundaries and at larger scales, the necessary collaborations and agreements take sustained effort to be put in place. This requires patience and consistency on the part of the facilitator, which in turn requires security of funding for their role (i.e. multi-year). The English Countryside Stewardship Facilitation Fund (CSFF) is a worked example of this type of funding. RLUP personnel could be suitable to provide this long-term relationship to local stakeholders, especially if their knowledge or experience makes them relatable. The NW2O45 RLUP pilot broke new ground in this respect, securing funding to allow local experts to act as ambassadors, which was essential in allowing communities to have trust in the RLUP's process.

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¹⁸ S Poskitt, R Gray, K A Waylen, G Begg (2024) Enabling collaborative landscape management in Scotland – the stakeholder view. Report for ClimateXChange. https://www.climatexchange.org.uk/projects/enabling-collaborative-landscape-management/





Bespoke projects

Bringing land managers together to solve a specific, common issue provides a clear reason to come to the table to engage with collaborative land management. The examples in **Table 5**, above, each have a particular focus, which is helpful in early stages to get necessary buy-in and build strong relationships among partners. Some groups remain focused on solving their problem long-term, while others move on to broaden their remit, such has been the case with Deer Management Groups. This idea is echoed in another CXC report, which said RLUPs should 'plan systematically but work specifically' – i.e., strategic land use planning is essential, but individual projects cannot solve all problems.¹⁹ RLUPs' primary role is strategic, to coordinate and support the different local groups, who are better placed to deliver projects.

Forums for sharing and learning

Connecting initiatives locally, as well as to examples of best practice across Scotland and further afield, could be a role which RLUPs could support. Study tours on site, conferences, the Farm Advisory Service, and the FIRNS Community of Practice were cited as helpful.

Integrated support

Most available funding sources are not set up for working across boundaries or with collaborative bids – Addressed in **Opportunities for directing funding**, below.

4.1 Role and remit of strategic land use planning systems

The examples given above highlight that it is these targeted initiatives which have been the most impactful in delivering conservation and nature-based solutions projects on the ground. RLUPs' role, then, should be to support and coordinate between the different existing initiatives in each region, helping them to continue their work and highlighting where there are opportunities to deliver against national-level priorities. RLUPs will support these goals through the co-production of the RLUF, a process which will:

• Increase collaboration by bringing local initiatives and communities around the table. This will foster increased understanding of the skills and capacities present in the region. As highlighted above, this long-term facilitation role is an extremely

¹⁹ MS Reed, K Waylen, J Glass, J Glendinning, R McMorran, L Peskett, H Rudman, B Stevens, A Williams (2022) Land Use Partnerships using a natural capital approach: lessons for Scotland. Report for ClimateXChange. https://www.climatexchange.org.uk/projects/land-use-partnerships-using-a-natural-capital-approach-lessons-for-scotland/





important success factor and needs to be provided for over multi-year timescales.

- Understand the region's capacity to deliver on national targets This information is useful to Scottish Government and others working at national level, to understand which land use changes could come from which areas and to set targets accordingly. Conversely, this information should be leveraged by local and regional groups to access funding where their projects are key to progress against national targets.²⁰
- Ensure local priorities, needs, and values are represented in conversations about land use, and that robust engagement and co-production is in place in advance of any projects (see Opportunities to deliver for local communities).
- Seed and facilitate new local environmental initiatives, where these are missing –
 Where RLUPs uncover opportunities to deliver projects with cross-cutting
 benefits, but there is not local capacity to deliver on these, a role of RLUPs could
 be to bring together local task forces of the relevant parties to action these, or to
 outsource to groups active in other regions to see if there is interest to help and
 demonstrate best practice.
- Continue to creatively fund projects using a mix of public, private, and in-kind resources. Regional land managers and conservation initiatives will be able to use the RLUP as a central hub of knowledge on the types of funding available and applicable for nature-based solutions projects; RLUPs could also be a one-stop-shop for investors looking to fund nature projects, bringing together and advocating for collaborative projects of the desired scales (see Opportunities for directing funding and Appendix 2: Excerpt from policy brief on integrating natural capital markets: Opportunities for Regional Land Use Partnerships).

This succinct list should be the key responsibilities of RLUPs going forward. This is by no means to say that their tasks are simple, however, they should keep their role as simple as possible by sticking to something like this list. There are plenty of great nature restoration efforts underway in Scotland – again, it is important not to try to reinvent the wheel. RLUPs' key value add is strategic, joining up the various targets and funding streams and reconciling these to greatest effect within each region. This proposed remit is represented visually in **Figure 1**.

²⁰ For example, see the discussion on p.8 of the South of Scotland RLUF https://www.southofscotlandrep.com/media/kpsbxf2b/rluf_v1_240919.pdf





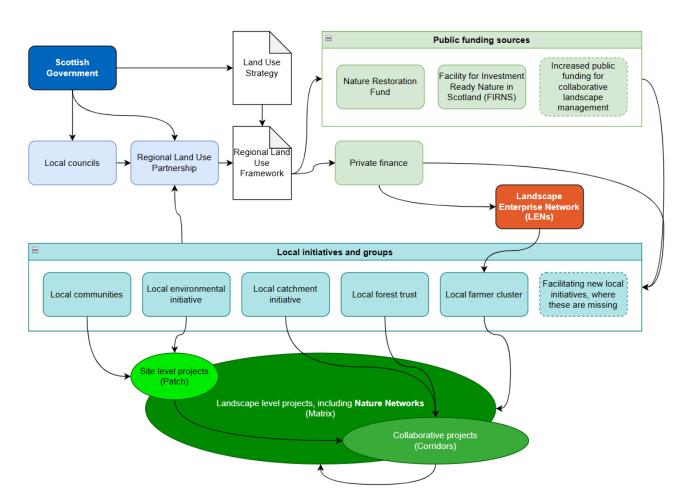


Figure 1: A schematic showing how RLUPs could coordinate decision-making and funding streams from national to local scales. For more detail on LENs, please see **Appendix 2**: Excerpt from policy brief on integrating natural capital markets: Opportunities for Regional Land Use Partnerships

Questions for further / future consideration:

• How will RLUPs interact with and facilitate Nature Networks?

Nature Networks are a planning tool to be delivered by local authorities. To work effectively, they will need to consider ecological connectivity across local authority boundaries. While the existing RLUP pilots took place within local authority areas, identifying strategic habitat networks (existing or potential) and embracing 'fuzzy boundaries' to look across into neighbouring RLUPs should certainly form part of their remit. RLUPs can support Nature Networks by making data on these opportunities





available to local councils, either through the RLUF or informally before its publication. If local councils are partners in the RLUP, they could channel their time and efforts towards realising Nature Networks through the work of the RLUP.

• How should RLUPs interface with public land?

Where there are areas of public land within the boundary of an RLUP, this should be considered as an area of great opportunity. If things are functioning as they should, the Scottish Government should be making best possible use of the public estate in addressing the twin crises, already, because these are areas where SG has more control to implement the necessary land use changes. The Scottish Government is currently involved in an initiative to step up the role of public land in this regard:

The Scottish Government, NatureScot, and Forestry and Land Scotland (FLS) are collaborating on a project to strengthen the role of publicly owned land in advancing Scotland's land use policy goals, particularly in addressing climate change and biodiversity. Public land, including the Scottish Crown Estate, makes up 11% of Scotland and has an important role to play. This project aims to develop a framework of policies, financial mechanisms, measurement, data, and governance that will collectively accelerate land use policy delivery at the pace and scale needed to significantly contribute to Scotland's climate change and biodiversity targets. A key focus will be on exploring financial mechanisms to support nature-based projects on public land, including opportunities for responsible private investment.²¹

As an action within the Strategic Biodiversity Framework Delivery Plan, the Scottish Government has also committed to establishing six 'exemplar large scale landscape restoration areas with significant woodland components by 2025.'22 However, where there are additional opportunities for projects on public land uncovered by the work of the RLUP, it would be good to get a commitment from the Scottish Government that these would be implemented as a priority. In their advice on the implementation of RLUPs, the Scottish Land Commission proposed that RLUFs be given statutory basis

https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2024/11/natural-capital-market-framework/documents/natural-capital-market-framework/govscot%3Adocument/natural-capital-market-framework.pdf

²¹ Scottish Government (2024) Natural Capital Market Framework.

²² Action 2.1, p.27 https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/20242030/documents/scottish-biodiversity-delivery-plan-20242030/documents/scottish-biodiversity-delivery-plan-20242030.pdf





once published. 23 This or other methods of fast-tracking RLUPs' decisions should be explored further.

²³ Scottish Land Commission (2020) Advice to Scottish Government on the establishment of Regional Land Use Partnerships.





5. Opportunities for directing funding

RLUPs represent a key opportunity to optimise the distribution of public funding for greatest impact, as well as to de-risk and unlock unprecedented levels of private investment into Scotland's nature.

5.1 Public funding

The recent CXC report highlighted major shortcomings in the current funding landscape when it comes to implementing collaborative projects in Scotland (Box 2).

Box 2: Excerpt from Enabling collaborative landscape management in Scotland – the stakeholder view; Unsuitable funding mechanisms (pp.10-11)²⁴

Our findings revealed a perception, among stakeholders, that current agricultural support is not suitable for supporting collaborative landscape management. Stakeholders consider existing agricultural support, particularly Agri-Environment Climate Scheme (AECS) and Nature Restoration Fund payments, as complicated, restrictive and competitive. This was considered a challenge for engaging in any kind of positive management for biodiversity and the climate, including collaborative approaches. According to stakeholders, the process of acquiring funding has a tendency to be extremely complex and time consuming, with ineffective mechanisms for distributing or releasing funds in a timely manner. Stakeholders also indicated that there is a lack of legal and legislative knowledge amongst farmers and landowners, and this is limiting their ability to apply for funding. Applications for funding, therefore, require a huge amount of effort and monetary investment. Indeed, the costs of initiating collaborations and preparing applications for grants and incentives, were considered significant challenges for engaging in collaborative landscape management.

Stakeholders considered the competitive nature of funding to exacerbate this, as there are significant costs involved in starting-up and applying for funding, but limited chance of success. Farmer representatives, in particular, agreed that when funding is competitive many farmers simply will not bother applying, as the high cost of applications, combined with the high risk of failure, simply makes it not worthwhile. Multiple stakeholders agreed this structure puts smaller farmers and land managers at a disadvantage and favours large landowners, who have sufficient time and resources for making applications and absorbing fines that could occur through mistakes.

²⁴ S Poskitt, R Gray, K A Waylen, G Begg (2024) Enabling collaborative landscape management in Scotland – the stakeholder view. Report for ClimateXChange. https://www.climatexchange.org.uk/projects/enabling-collaborative-landscape-management/





Stakeholders also perceived that, with the exception of getting extra points for collaborative projects in AECS, there is currently a lack of funding designed specifically to support collaboration. Stakeholders expressed concerns that existing grant funding is short term in nature (e.g. for AECS is only a 5-year agreement), which does not lend itself to building collaborations or implementing long term changes at a landscape scale. Additionally, AECS funding is points-based, meaning farmers are in competition with each other to meet the points threshold. This was considered a disincentive to engaging in collaboration.

Within the current funding system, RLUPs could immediately improve this situation via the following key actions:

- Nature Networks within wider RLUPs could identify key habitat networks or other
 areas of opportunity to deliver impactful projects for nature across adjacent
 farms. The participation of well-resourced advisory officers in these processes is
 vital to align the landscape scale vision to on-farm, cooperative actions.
- Then, they could approach the farmer cluster and ask if they would be interested in collaborating, if the funding could be secured.
- Ideally, the RLUP could have an inside track with NRF and other public funding streams, getting a bonus for being aligned with the agreed outcomes in the RLUF.
- It would be helpful if RLUP personnel could give time to writing applications, submitting claims, and other administrative tasks around securing these public funding sources, as this would significantly de-risk this for farmers and other participating land managers. Centralising these tasks within the region would circumvent many of the issues listed in **Box 2**. While this type of support would be impactful, this would require a significant investment in expertise and resource to give RLUP personnel the capacity to offer this to regional actors.

Going further, it is clear to see how RLUPs should play a key role in directing funding to address the twin crises: The Scottish Government has national targets and commitments for climate and biodiversity action; The RLUFs clarify how each region will contribute to the national targets; National funding flows through the RLUP to projects delivering against those regional contributions. This is the relationship as drawn out in **Figure 1**. In their advice to Scottish Government on the establishment of RLUPs (most of which was implemented), the Scottish Land Commission proposed a sweeping overhaul of rural funding to be directed through RLUPs (**Box 3**).





Box 3: Excerpt from SLC Advice to Scottish Government on the establishment of Regional Land Use Partnerships: Funding and Delivery (pp.13-14)²⁵

We consider that devolving significant elements of public funding, including post–CAP rural funding, to a regional level will improve the dynamism and pace of delivery. We acknowledge that future rural funding is likely to comprise a combination of nationally available funding streams, with other more targeted and place–specific funds. We recommend that government considers further the public funding streams that would be most effectively targeted through Regional Land Use Partnerships, as part of the structuring of rural funding post 2024.²6 There may be options for some existing funding streams which are already delivered out with core national mechanisms to be delivered earlier through the Regional Land Use Partnership structure for alignment and real time learning with early adopters. Examples of the types of funding suited to this approach could be Peatland Action, the Climate Challenge Fund² and the Biodiversity Challenge Fund.²

We propose that further consideration is given to conditionality of funding through cross compliance, for example the requirement for individual holding plans to be consistent with the Regional Land Use Framework. As the role of the Partnerships and Frameworks develops, this is a potentially strong lever to ensure sufficient impact and weight in influencing behaviour and action on the ground.

We recognise there are several options for how to structure funding through a regional partnership. The administration and payment mechanisms could, for example, be retained on a consistent national basis. It is the decision making and accountability for prioritising and targeting funding that we recommend is most effectively done at a regional scale by the Partnerships. The experience of previous approaches to delivering regionalised priorities within CAP point to the importance of having a clear spatial regional land use framework in place, against which prioritisation of funding can be consistent and transparent.

Scottish Government has indicated that RLUPs are unlikely to be given any ability to direct public funding in the near term. However, the SLC advice outlines several potential avenues through which RLUPs could be extremely effective. This will likely need to wait until RLUPs achieve national coverage and RLUFs have been published and are

²⁵ Scottish Land Commission (2020) Advice to Scottish Government on the establishment of Regional Land Use Partnerships.

https://www.landcommission.gov.scot/downloads/5fa129aedca82_20201103%20Advice%20to%20Scottish%20Government%20Regional%20Land%20Use%20Partnerships.pdf

²⁶ Now clarified: Rural Support Plan

²⁷ Now closed (2008-2022), however new support now exists for community climate action hubs, See <u>SG:</u> Community-led climate action.

²⁸ Superseded by the much larger-scale Nature Restoration Fund.





coherent with one another, showing how they work in addressing national targets. This underscores the urgent need to rapidly scale RLUPs. Other ideas include:

- Earmarking significant proportions of enhanced conditionality funding within new rural support (Tiers 2 and 3) specifically for collaborative schemes with outcomes which support RLUF outcomes.
- Formalising a way for RLUPs to endorse projects which support RLUF outcomes, fast-tracking these within NRF, forestry, and other funding applications.
- As a last resort (private finance should ideally be explored, first), RLUPs could be an avenue to access funding via the <u>Scottish National Investment Bank</u>. For more ambitious or unconventional projects which do not fit squarely into other public funding streams, the SNIB could provide important, 'patient' capital investment. RLUPs could play a key role in pulling together large-scale projects which could be suitable for this funding stream.

5.2 Private finance

There is huge potential for RLUPs to help realise Scottish Government's vision of high-integrity, values-led private investment into Scotland's nature. RLUPs and RLUFs bring together the areas of greatest opportunity from a nature restoration standpoint, identifying hotspots where projects could have cross-cutting impacts for carbon sequestration and nature restoration. They also capture the key priorities of local communities regarding what would improve their quality of life or the local economy, including improving local natural capital assets. These are the most important underlying conditions which determine the feasibility and success of natural capital projects.

Box 4: Scotland's 2022 Interim Principles for Responsible Investment in Natural Capital.²⁹ These principles are carried forward through the Natural Capital Market Framework, where they are broken down in great detail. RLUPs have a clear role in guiding and informing investment such that it adheres strictly to these principles – it is difficult to conceive of another body or group that could be suitable for speaking to and upholding each of these principles.

Principle 1: Investment that delivers integrated land use;

Principle 2: Investment that demonstrates engagement and collaboration;

Principle 3: Investment that delivers public, private and community benefit;

Principle 4: Investment that is ethical and values led;

²⁹ Scottish Government (2024) Principles for Responsible Investment in Natural Capital. https://www.gov.scot/publications/interim-principles-for-responsible-investment-in-natural-capital/





Principle 5: Investment that is of high environmental integrity;

Principle 6: Investment that supports diverse and productive land ownership.

RLUPs were specifically mentioned in this capacity in the Scottish Government's Natural Capital Market Framework: "Investors and project developers operating within these RLUP areas should engage with the partnerships to align with local land use priorities" (p.13). While this certainly true, RLUPs could potentially play a much larger role, particularly in achieving the scale of projects required by some larger, institutional investors. These actors need natural capital projects on the scale of hundreds of millions of pounds, equating to thousands of hectares of land management interventions, to be suitable for their portfolios. RLUPs could be well-placed to scope and develop these landscape-scale projects, however this work requires significant up-front time investment, therefore this could be an area in which to limit scope. Landscape Enterprise Networks provide a promising integration model, with several LENs moving towards operational status in Scotland, that could take on much of the scoping and engagement work. For a detailed discussion on this, as well as a good overview of the current state of nature markets in Scotland, see Appendix 2: Excerpt from policy brief on integrating natural capital markets: Opportunities for Regional Land Use Partnerships

RLUPs' role in natural capital markets could range in scope and scale – and it likely will, as RLUPs will look slightly different across regions of Scotland and depending on the partners which come forward to deliver the work of the RLUP.

- At the least, RLUPs should have a seat at the table when large-scale natural capital projects are being discussed and scoped, to represent the voice of local communities and to ensure plans have regard to the strategic land use planning collated in the RLUF. Indeed, RLUPs are singular in their remit to have consideration for the full breadth of demands on our landscapes. RLUP representatives are essential players in delivering a just transition because, if their local engagement is robust and kept up to date, they are unique in their ability to speak across the range of issues relevant to land use change projects.
- At the most, the process of creating the RLUF could uncover the areas of
 greatest opportunity for private investment in nature and RLUPs could take a
 lead role in aggregating projects to reshape Scotland's landscapes in line with the
 needs of its population.





6. Opportunities to deliver for local communities

Strategic land use planning is a necessarily collaborative process, ideally integrating the goals of diverse groups who manage or inhabit our landscapes. There are several ways in which RLUPs could be an effective mechanism towards realising this integration.

Informing / consulting / engaging local communities

Part of the work of an RLUP is to get information out about the work of the RLUP, such that they are aware and know how to get further involved as relevant. This was a key performance indicator for the 2021–23 pilots – <u>The South of Scotland engagement report</u> is an exemplary case study, highlighting local concerns and priorities.

Regional Land Use Partnerships should adopt and demonstrate best practice in engaging stakeholders and communities of place and interest from the outset to ensure that people fully understand the role and focus for Regional Land Use Partnerships and Frameworks. Best practice engagement should continue throughout the design of the Regional Land Use Framework and delivery and evaluation of objectives in order to be most effective. An overarching aim of engagement should be to ensure that Partnerships are successful in building regional communities that are invested in the design and delivery of land use benefits and change as well as informed on the trade-offs and choices.³⁰

RLUPs should strive to become an accessible resource for anyone in the community with questions or concerns about local landscapes as they relate to nature restoration and climate change mitigation and adaptation. An area for future exploration is, what is RLUPs' role regarding ongoing consultation in advance of large-scale land use change projects? Should they be responsible for the necessary engagement? Or make sure the project leads have implemented suitable engagement?

Amplifying community voices and expertise

Beyond basic consultation, RLUPs have a mandate to co-produce RLUFs with community voices, expertise, and priorities at the centre of decision-making. RLUPs can integrate social issues into land use change decisions by layering on socio-economic

³⁰ Scottish Land Commission (2020) Advice to Scottish Government on the establishment of Regional Land Use Partnerships.

https://www.landcommission.gov.scot/downloads/5fa129aedca82_20201103%20Advice%20to%20Scottish%20Government%20Regional%20Land%20Use%20Partnerships.pdf





datasets, as shown in **Figure 2**. This type of broad-scale review of the main socio-economic data for each region should be supplemented by more granular engagement with local communities, which has cross-cutting benefits for improving the decision-making of an RLUP:

Stakeholder engagement can help plug gaps in the data with local knowledge and their perspectives can help interpret data and maintain a more holistic focus on the interactions between people and their landscapes. For example, stakeholders may have access to data that would otherwise not be available to the RLUP, and where there is no available data, they may have expert knowledge that can feed into decision-making in the absence of data, helping ensure plans are actionable and evidence-based, drawing on the widest possible range of information sources.³¹

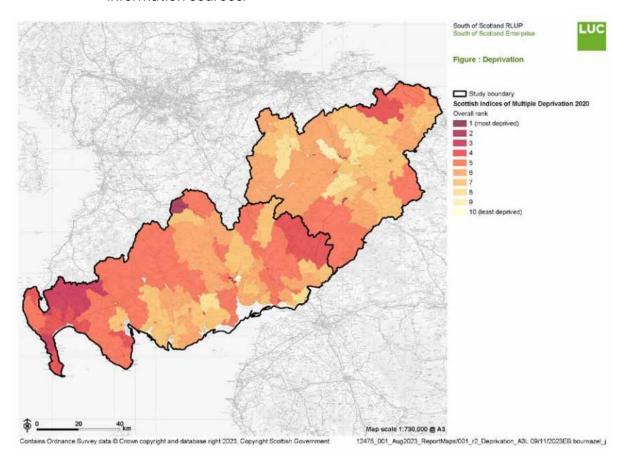


Figure 2: Scottish Index of Multiple Deprivation data for local areas in the South of

³¹ MS Reed, K Waylen, J Glass, J Glendinning, R McMorran, L Peskett, H Rudman, B Stevens, A Williams (2022) Land Use Partnerships using a natural capital approach: lessons for Scotland. Report for ClimateXChange. https://www.climatexchange.org.uk/projects/land-use-partnerships-using-a-natural-capital-approach-lessons-for-scotland/





Scotland. This map is included in the SoS RLUF, putting social data side-by-side with other map layers on natural capital and landscape opportunities. "The RLUF could use such data to help ensure that future land uses do not further disadvantage deprived communities and, where possible, create new opportunities for jobs, skills and training (e.g. as part of tree planting or habitat restoration projects), as well as enhancing quality of life (for example, by increasing access to natural greenspace) and minimising exposure to climate risks (e.g., by targeting woodland creation where it helps to reduce flood risk)."³²

RLUPs are recognised as a key mechanism for balancing power dynamics in local areas such that community members' voices have equal weight to those of landowners, government agents, local businesses, and other relevant parties. They will form a key strategic link between local and national decision–making, the communication streams that they open, in both directions, hopefully increasing the effectiveness of policy levers: "It is the regional scale at which the land use opportunities, options and priorities can be identified, the implications for others can be considered, the synergies with others can be realised and the accountability for choices can be transparent and accessible." The Highland RLUP is a compelling case study for taking a bottom-up, community-oriented approach.

Empowering local communities to play a role

Beyond informing, consulting, and engaging those community members who have the interest and capacity to co-produce the RLUF, how can RLUPs offer routes to impact for motivated community members who want to contribute to nature regeneration? Communities of interest have been leading the way in delivering effective projects in Scotland for a long time:

Community empowerment has been a consistent theme of the Scottish Parliament. Local action has been growing and takes many forms. For example, the communities of Applecross and Strathard have in different ways developed local place land use plans. Landscape Partnerships in places such as Coigach and Tomintoul and Glenlivet have brought new dynamism joining up land use, business and community. The Leven Initiative in Fife is pioneering new collaborations at a catchment scale. [...]

³² South of Scotland Regional Economic Partnership (2024) South of Scotland Regional Land Use Framework. https://www.southofscotlandrep.com/media/kpsbxf2b/rluf_v1_240919.pdf

³³ Scottish Land Commission (2020) Advice to Scottish Government on the establishment of Regional Land Use Partnerships.

 $[\]frac{https://www.landcommission.gov.scot/downloads/5fa129aedca82_20201103\%20Advice\%20to\%20Scottish\\ \underline{\%20Government\%20Regional\%20Land\%20Use\%20Partnerships.pdf}$





Rural College (SRUC) at a regional level

It is this kind of place-based action that Partnerships at a regional level can empower across Scotland. (SLC Advice)

As laid out in **4.1 Role and remit of strategic land use planning systems** and **Figure 1**, RLUPs should seek to support, streamline, and expand the work of these local landscape partnerships, which should act more or less as the delivery arm of the RLUP. Where a suitable group does not exist, there could be a role for RLUPs to seed / develop community task forces to address this gap.





7. Conclusions & recommendations

There is a demonstrated and profound need for integrated, strategic land use planning in Scotland to achieve the Scottish Government's ambitious and urgent targets for climate action and nature regeneration. If given the necessary support, RLUPs are a fit-for-purpose model which have shown extremely promising results to date. Groups including the Scottish Land Commission have recognised their potential across multiple policy areas and have been calling for the rapid roll-out of RLUPs for some time:

We recommend that Regional Land Use Partnerships are operational, with a Regional Land Use Framework in place, for all of Scotland ahead of the next Climate Change Plan (2023–24), to meet the urgency of climate targets and ensure that no area is disadvantaged. This will also ensure that Regional Land Use Partnerships and Frameworks are in place across Scotland to support delivery of post–CAP funding arrangements which are being developed for 2024 onwards.³⁴

Given the potentially transformative results from the implementation of RLUPs, with coverage across Scotland, the Scottish Government should commit resource to fund this as soon as possible. The existing RLUP pilots provide a clear model for how to structure and execute the key steps of establishment. The Scottish Government should take recommendations from the pilots as to the timescales and conditions associated with the resource, however their commitment to RLUPs should be open-ended, giving new RLUPs the bandwidth and security they need to establish trust with local groups: "Funding RLUPs on an annual basis is incompatible with their strategic, long-term functions. Time that a partnership board needs to use to find or leverage funding is time taken away from delivery." 35

Establishing national coverage of RLUPs will require significant upfront investment because their early task of engagement all relevant parties is particularly resource intensive. However, analyses of other landscape scale partnership working have demonstrated that, once this initial engagement has been completed, maintenance costs of running the RLUP will likely be much lower:

The majority of stakeholder and public engagement took place during the initial phases of setting up, visioning and planning the work of the

³⁴ Scottish Land Commission (2020) Advice to Scottish Government on the establishment of Regional Land Use Partnerships.

 $[\]frac{https://www.landcommission.gov.scot/downloads/5fa129aedca82_20201103\%20Advice\%20to\%20Scottish\\ \underline{\%20Government\%20Regional\%20Land\%20Use\%20Partnerships.pdf}$

³⁵ Scottish Government (2022) Regional Land Use Partnerships: Phase 1 process evaluation – final report. https://www.gov.scot/publications/regional-land-use-partnerships-phase-1-process-evaluation-final-report/





partnerships, for example via surveys and workshops. Subsequent engagement tended to focus more on partners, with some partnerships already so inclusive that it was deemed legitimate to focus only on partner engagement.³⁶

Achieving national coverage will unlock additional benefits, such as a coordinated regional response to national targets, increasing RLUPs' credibility and power as a policy mechanism, as well as creating additional shared learnings though a national community of practice. This report's recommendations are as follows:

- Re-commitment to the RLUPs as a model with an increased level of ambition and urgency, replicating these to achieve coverage across Scotland as soon as possible, capturing the successes, institutional knowledge, and momentum of the current pilots.
- 2. Providing RLUPs with resources which are proportional to the scale of their remit and potentially transformative value in achieving goals for nature connectivity, climate action, and local communities.
- 3. Producing a specific and timely road map for RLUP and RLUF implementation across Scotland.
- 4. Ensure that RLUFs outline how their region will deliver against national climate and nature targets, informed by engagement and co-production with local communities and stakeholders to match national ambition with local priorities and opportunities.
- 5. Commit to develop mechanisms for RLUPs to inform decision making on aspects of public spending: for example, by competitive public funding (e.g. the Nature Restoration Fund) prioritising projects aligned with RLUF priorities, or by giving RLUPs a coordinating role for collaborative projects supported by agricultural funding.
 - a. The case for directing public funding through RLUPs is clear: the Scottish Government has national targets and commitments for climate and biodiversity action; The RLUFs clarify how each region will contribute to the national targets; National funding flows through the RLUP to projects delivering against those regional contributions. See Box 3 for Scottish Land Commission recommendations to this effect.
- 6. Utilise the potential of RLUPs to influence high integrity private investment in nature, including through opportunity mapping and in aggregating smaller projects into larger scale opportunities.

³⁶ MS Reed, K Waylen, J Glass, J Glendinning, R McMorran, L Peskett, H Rudman, B Stevens, A Williams (2022) Land Use Partnerships using a natural capital approach: lessons for Scotland. Report for ClimateXChange. https://www.climatexchange.org.uk/projects/land-use-partnerships-using-a-natural-capital-approach-lessons-for-scotland/





At the local level, landscape scale initiatives and groups have a demonstrated track record of delivering effective projects on the ground, both in Scotland and internationally. These groups should be supported and enabled, in conjunction with RLUPs, to scale up their activities. A recent report highlighted the key factors which would be most impactful in enabling these partnerships to bring more projects forward:

- 7. Investing in existing structures for enabling collaboration, including RLUPs (as above), as well as farmer clusters and Deer Management Groups;
- 8. Access to suitable and integrated funding mechanisms to support more collaborative landscape management, potentially through accessing nature markets;
 - a. RLUPs could act as a central hub of knowledge on the types of funding available and applicable for nature-based solutions projects; RLUPs could also be a one-stop-shop for investors looking to fund nature projects, bringing together and advocating for collaborative projects of the desired scales
- 9. Provision of or funding for facilitation, such as Defra's Countryside Stewardship Facilitation Fund (CSFF);
- 10. Continued support for forums for sharing and learning, such as the Facility for Investment Ready Nature in Scotland (FIRNS) Community of Practice and the Farm Advisory Service (FAS).³⁷

Scotland has the greater part of the infrastructure needed to deliver all its environmental objectives already in place and the most expedient route to impact does not involve reinventing the wheel. The key need is for people who are enabled to act as connectors, joining national targets and existing resources with local groups who have the skills and connections to get the work done.

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³⁷ S Poskitt, R Gray, K A Waylen, G Begg (2024) Enabling collaborative landscape management in Scotland – the stakeholder view. Report for ClimateXChange. https://www.climatexchange.org.uk/projects/enabling-collaborative-landscape-management/





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Appendix 1: Theoretical foundations for landscape-scale governance³³

Regional-level governance and (integrated) landscape approaches refer to slightly different concepts, each with their own foundations in the literature,³⁹ however are driven by similar objectives and will be used interchangeably in this review. In recent decades, natural resource management has been characterised by a global trend towards increased use of regional-level governance, now widely embraced by governments and multinational eNGOs. These medium-scale strategies have begun to replace traditional command-and-control natural resource management, which employs top-down, technocratic, national-level plans to minimise inputs and maximise efficiency in different areas (e.g. water quality and quantity, fire suppression, crop monocultures).⁴⁰ Command-and-control schemes, the norm in the 1960s through 80s—and still lingering in some sectors—responds to unpredictable outcomes in complex natural systems by seeking to further control them, often resulting in severe ecological, social and economic damage, in what has been called "the pathology of natural resource management."⁴¹

Breaking this cycle, more holistic and integrated plans were pioneered within the context of water resource management at the catchment level. This was necessary due to the challenge of managing catchments, which are 'characterised by complexity, connectivity, temporal and spatial change and competing ecosystem services...with different stakeholders bringing multiple perspectives to the table."⁴² This trend towards more holistic planning culminated in Integrated Water Resource Management (IWRM), multi-level governance structures which draw on the pioneering work of Elinor Ostrom in the 1990s, which gave specific advice for the design of effective community natural resource management. Land use shares many of the wicked qualities of water catchments and the landscape approach has been utilised to address these qualities on multiple fronts, providing "a scale for management that allows for a holistic view of the competing land-use interests and an understanding of the of inherent trade-offs within the system to better achieve multiple objectives connecting the local to the global."³⁹ While there are constraints on land, there are also many opportunities to use it more

³⁸ Adapted from Stevens, DB (2021) A proving ground for climate change solutions – A stakeholder analysis in a Scottish Regional Land Use Partnership. Unpublished MSc dissertation.

³⁹ Freeman, Olivia E., Lalisa A. Duguma and Peter A. Minang (2015). Operationalising the integrated landscape approach in practice. Ecology and Society 20(1): 24.

⁴⁰ Holling, C. S. and Gary K. Meffe (1996). Command and Control and the Pathology of Natural Resource Management. Conservation Biology 10(2): 328–337.

⁴¹ McLaughlin, Chris and Gail Krantzberg (2012). An appraisal of management pathologies in the Great Lakes. Science of the Total Environment 416: 40–47.

⁴² Rouillard, Josselin J. and Christopher J. Spray (2017). Working across scales in integrated catchment management: lessons learned for adaptive water governance from regional experiences. Regional Environmental Change 17(7): 1869–1880.





efficiently, deriving multiple benefits from making additions, rather than substitutions, to the way we use it at the moment.⁴³ This is why an integrated approach is necessary, looking across different land uses in order to identify what is needed within a region and how best to deliver it.

The idea of multiple benefits comes from the concept of ecosystem services, or an ecosystems approach. Ecosystem services are the full list of benefits we derive from the natural environment, including provisioning services such as crops and timber; regulating services such as natural maintenance of water quality and quantity; supporting services such as pollination, photosynthesis and soil formation; and cultural services such as landscape amenity, opportunities for recreation, aesthetic and spiritual benefits.⁴⁴ These services are a part of natural capital, the world's natural resource base. Although they are consistently undervalued—Scotland's natural capital was valued at an £156 billion in 2017⁴⁵ — and often externalised completely, every area needs these services and relies on local land to deliver them. While the inputs and outputs of certain ecosystem services are simpler to predict and maintain (e.g. enough local green space, the timber supply), others are features of the wider biosphere that can only be understood at the landscape scale:

The way that the different units within the landscape are arranged and managed has huge implications for emergent landscape properties. For example, creating buffer zones and biological and/or wildlife corridors can greatly enhance biodiversity and ecosystem functioning within a landscape, the lack of which can have isolating and detrimental effects. Therefore, being able to understand such spatially explicit patterns and processes is a key part of being able to address drivers of change and manage complexity.³⁹

Many ecosystem services, like the biodiversity example, emerge out of the landscape as a whole, a regional mosaic of different land use regimes and land cover types. For this reason, the landscape is not only the recommended scale for understanding land use challenges, it is the only one from which it is possible to do so.

Another key justification for regional scale is the opportunity to bridge top-down and bottom-up approaches and priorities within natural resource management. The European Union Water Framework Directive (EU WFD) is a prime example of a top-down

⁴³ Weston, Geogrina and Lorna J. Philip (2020). "The Sheep and Trees initiative: a first step towards integrated agroforestry in Scotland?" Scottish Geographical Journal 136 (1-4): 140-162.

⁴⁴ UK National Ecosystem Assessment (2012). Ecosystem Services.

http://uknea.unepwcmc.org/EcosystemAssessmentConcepts/EcosystemServices/tabid/103/Default.aspx

⁴⁵ Scottish Government (2021). Scottish Natural Capital Accounts: 2021.

<https://www.gov.scot/publications/scottish-natural-capital-accounts-2021/documents/>





resource management plan, which sets strict standards and regulations at the national level, but allows flexibility by giving local areas freedom to make their own decisions on how to achieve them (e.g. River Basin Management Plans, in the case of the WFD).⁴² At the other end, groups such as the Tweed Forum in southern Scotland exemplify a bottom-up approach: At first, stakeholders within the Tweed catchment came together to address local concerns, but the NGO grew in scale and breadth of focus as it began to attract public funding, eventually becoming established as a regional player with a track record of delivery. Top-down and bottom-up priorities will always be different and are sometimes completely unrelated, causing frustrations as local and national actors talk past each other. As stated, the overlaps and shared goals are often only visible at the regional scale, which can ameliorate this universal challenge in natural resource management. Especially in areas with highly diverse landscapes and economies, regional governance can bridge scales, allowing each area to set their own priorities and offering local stakeholders tailored solutions to national objectives.

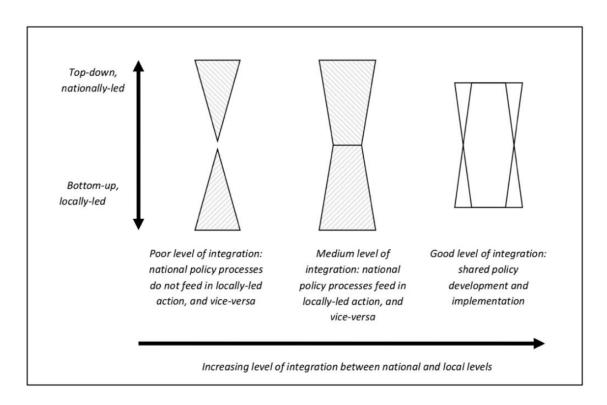


Figure A1: Integrating top-down and bottom-up approaches.⁴²

Practically speaking, moving away from technocratic national plans and devolving to smaller scales tends to require more resources, at least at first, and introduces tensions related to granularity of approach and redundant efforts. Ideally, the separation





of tasks is clear and multiple sources of decision-making power are aligned in a seamless chain of mutually reinforcing governors, an ideal known as polycentric governance. Instead of repeated efforts, division of labour allows actors at each scale to focus on tasks relevant to them (the principle of "subsidiarity" (regional governors handle issues at their scale (e.g. stakeholder engagement), freeing up the national body to tackle big-picture and long-term tasks (e.g. policy direction). Many difficulties may cause regional and local governance to fall short of this ideal, including conflicts, lack of leadership, capture by more powerful interests, and inadequate access to funds.

While the body of literature supporting landscape approaches as a conceptual framework is growing, little work has outlined the actual process of putting this approach into practice and it is generally accepted that there is no formula for success in polycentric, regional or landscape approaches due to their being highly context-dependent.⁴⁸ This highlights a central challenge in adopting these more integrated approaches: Moving beyond sectoral planning to include multiple issues and objectives in the landscape requires increasing engagement and alignment across disciplines, sectors, and stakeholder groups, all of which are time- and resource-intensive. For this reason, published studies caution that devolving responsibility to more subsidiary scales without providing adequate resources and freedom to act paralyzes these intermediate levels seeking integration.⁴⁹

However, accumulating experience and data on the outcomes of these approaches is beginning to shed light on best practices. Freeman et al. (2015) identify five central characteristics of integrated landscape approaches (multifunctionality, inter- or transdisciplinarity, participation, complexity and sustainability) and highlight that a continuum of application exists for each of these factors. While the benefits of and pathways to true integration are increasingly clear, regional governments will be limited by available resources and bandwidth, and full integration is not a requirement or possibility everywhere. Organisations must decide the level of integration they are seeking and where they fall on the sliding scales of applying each of these principles;

⁴⁶ Andersson, Krister P. and Elinor Ostrom (2008). Analyzing decentralised resource regimes from a polycentric perspective. Policy Science 41: 71:93.

⁴⁷ Craig, Paul (2012). Subsidiarity: A political and legal analysis. Journal of Common Market Studies 50(51): 72-87.

⁴⁸ Baldwin, Elizabeth, Camille Washington-Ottombre, Jampel Dell'Angelo, Daniel Cole and Tom Evans (2016). Polycentric governance and irrigation reform in Kenya. Governance: An International Journal of Policy, Administration, and Institutions 29(2): 207-255.

⁴⁹ Scottish Land Commission (2020) Advice to Scottish Government on the establishment of regional land use partnerships. https://www.landcommission.gov.scot/newsevents/news/regional-land-use-partnerships-to-help-drive-urgent-climate-action Appendix 3: Blackstock, Kirsty, Adam Calo, Mags Currie, Liz Dinnie, Antonia Eastwood, Kit MacLeod, Keith Matthews, Annie McKee, David Miller, Maria Nijnik, Lee-Ann Sutherland and Kerry Waylen (2020). Issues arising from SLC's interim report on Regional Land Use Partnerships—Evidence from the Scottish Government Strategic Research Programme 2016-2021.





while there are benefits at each level of integration, striving for the best requires time and resources.

As in many nations, Scottish land use policy had a strong sectoral focus throughout the 1950s–80s. These policies prioritised, agriculture and forestry, typical of the productivist mindset that prevailed at the time. ^{50, 51} Starting in the 1990s, the Scottish Government has made regional scale planning the centre of its approaches to land management and economic strategy, applying a place–based approach through initiatives such as City Region Deals and Regional Economic Partnerships. ⁵² Scotland is divided into 32 local authorities that vary widely in size and population and many public services are delivered by the elected councils within these authorities. Land use traditionally falls under the category of planning, which at the national level is guided by the National Planning Framework (NPF; see Fig. 2.1.1). To better harness some of the benefits of working at regional scale and in keeping with the general trend in Scottish policy, NPF4 shall introduce Indicative Regional Spatial Strategy (iRSS) areas for Scotland, each of these 32 local authorities included in one of these 16 areas (Transforming Planning 2020). These are also the areas from which RLUPs will operate, in line with SLC advice.

⁵⁰ Valluri-Nitsch, Christiane, Marc J. Metzger, Rob McMorran and Martin F. Price (2018). My land? Your land? Scotland?—understanding sectoral similarities and differences in Scottish land use visions. Regional Environmental Change 18: 803–816.

⁵¹ Glass, Jayne, Martin F. Price, Charles Warren and Alister Scott (2013). Lairds, Land and Sustainability: Scottish Perspectives on Upland Management. Edinburgh University Press.

⁵² Scottish Government (2021b). Scotland's Third Land Use Strategy 2021–2026. https://www.gov.scot/publications/scotlands-third-land-use-strategy-2021-2026-getting-bestland/





Appendix 2: Excerpt from policy brief on integrating natural capital markets: Opportunities for Regional Land Use Partnerships

Authors: Mark Reed, Brady Stevens, and Nicky Bowsher-Gibbs

To date, the existing RLUPs have engaged with natural capital markets to varying extents. The majority scoped the potential for woodland and peatland carbon projects as part of natural capital mapping exercises. Some went further, for example:

- The South of Scotland RLUP are currently collaborating in a SOSE-funded exploration of demand side interests in Landscape Enterprise Networks;
- NW2O45 have just completed a FIRNS project exploring the potential to integrate multiple income streams from natural capital with finance for green transport, insulation and other community priorities as part of a Just Transition Unit.

However, a Scottish Government funded evaluation of RLUPs concluded that despite their potentially important role in coordinating payments from multiple natural capital markets, there were a number of barriers that had prevented significant engagement with these markets to date. In particular, given the nascent development of most natural capital markets and their regulation, there were concerns about engaging in markets that were still evolving. This was compounded by advice from unions and advisors for landowners to delay engaging with natural capital markets until there was greater market and policy certainty.

There are emerging lessons relevant to RLUPs from ongoing research on community benefits from natural capital markets and the expansion of Landscape Enterprise Networks into Scotland. As Scottish Government plans the launch of its Natural Capital Investment Framework,⁵³ including a number of policy and market innovations designed to derisk engagement and responsibly scale the operation of these markets, it is worth re-examining the role that existing and planned RLUPs could play in integrating across markets, habitats and landholdings, linked to strategic, community-driven Regional Land Use Strategies.

Current focus of natural capital markets and the potential growth of biodiversity markets:

Natural capital markets currently operating in Scotland tend to focus on carbon, bundling co-benefits such as biodiversity without quantification (this is known as implicit bundling). As interest grows in managing the wider impacts of businesses on the natural environment, there are now a number of voluntary biodiversity markets close to

⁵³ Now released: https://www.gov.scot/news/attracting-private-investment-in-nature/





launching in Scotland. Based on experience in England, it is likely that early market interest is likely to arise from the requirement under the National Planning Framework 4 for developers to deliver biodiversity enhancement. The metrics that will be used to demonstrate enhancement in Scotland are currently under consultation, and it is not yet clear how much mitigation of biodiversity impacts will be off-site. Given that habitat creation under NPF4 will need to be like-for-like and not too far from developments, the market opportunity is likely to be limited for most RLUPs. Although the "compliance market" for biodiversity enhancements required under NPF4 is likely to be small, voluntary biodiversity markets (not linked to the planning system) are likely to grow over the next five years in response to drivers in the business world (often stimulated by investors) to report on and mitigate wider environmental impacts, in addition to climate impacts.

Emerging opportunities for stacking and bundling of multiple ecosystem services from the same sites:

In the meantime, it is anticipated that carbon projects will begin to explicitly bundle and stack biodiversity and other ecosystem services alongside carbon reductions and removals. Funded by NatureScot, the Woodland Carbon Code and Peatland Code are currently developing woodland and peatland biodiversity units that can be independently validated and verified, and released alongside carbon units issued by each Code on the UK Land Carbon Registry. This could also, in theory, make it possible to use each Code to generate woodland and peatland biodiversity units instead of carbon, for buyers who are primarily interested in biodiversity. It is important to note however, that the financial additionality criteria in each Code will restrict the stacking and separate sale of carbon and biodiversity to a small proportion of sites where carbon finance alone is insufficient to make projects financially viable.

Challenges of integrating markets at landscape scales:

The integration of carbon and biodiversity projects is, however, already possible at landscape scales, as long as each project occupies its own location in the landscape. As these markets scale, the coordination of multiple projects at landscape scales is likely to be an increasing challenge. Without coordination, there is potential for trade-offs / conflicts between schemes, for example woodland creation leading to stream acidification or an increase in predators that impacts biodiversity in adjacent streams and landholdings. There is also currently a lack of integration between offset markets (which tend to focus on the creation or restoration of habitats like woodland, peatland or saltmarsh) and insetting (in which companies seek to reduce their Scope 3 / supply chain emissions and tend to focus on the shift to regenerative agricultural practices and hedgerow planting which can lead to both carbon reductions and removals). Although the value of meeting Scope 3 targets to companies may be expressed in financial





rewards, such as price premiums, the farming community is increasingly concerned that working towards these targets will simply become a condition of contract, adding to production costs without any monetary compensation.

Landscape Enterprise Networks (LENs) as an integration model:

Landscape Enterprise Networks⁵⁴ offer a market model that enables farmers to collectively negotiate a fair price for changes in practices that will deliver reductions and removals, alongside the potential for engagement with offset markets and local community priorities. By coordinating a package of measures across a landscape, LENs creates economies of scale for investors whilst making it possible to identify and avoid potential trade-offs and connect with the strategic priorities of local communities.

Opportunities for collaboration between LENs and RLUPs:

Engagement and community benefit is increasingly important in Scotland as the Scottish Government prepares to launch its Natural Capital Investment Framework, which places communities at its heart. Offset markets like the Peatland Code and Woodland Carbon Code and LENs are developing mechanisms to facilitate community engagement and benefit at relevant scales. RLUPs may be able to offer valuable insights for these markets, and could play an active role in facilitating the coordination of interventions and benefits at landscape scales.

Specifically, as LENs scales across Scotland, there are opportunities for RLUPs to play roles as coordinators and/or aggregators, mapping and bringing together supply and demand side actors with community representatives to co-design packages of measures that deliver for the environment, communities, landowners and investors (more information about how this is done in LENs can be found here). This could offer an important mechanism for LENs to comply with new community engagement and benefit requirements under the Natural Capital Investment Framework. Although this would add complexity to the way that both LENs and RLUPs currently operate, the additional funding and coordinated action it could stimulate are likely to outweigh the transaction costs, as long as there is adequate training and support for RLUPs. Moreover, the codesign of training and support between LENs and RLUPs could provide learning opportunities and useful insights for the development of both initiatives.

Through achieving larger scales of nature restoration, it is possible to increase the financial efficiency of investments by pooling funds from multiple companies (who can all claim carbon reductions and removals as part of their supply chain mitigation work), by sharing administration costs and the burden of measurement, reporting and

⁵⁴ https://landscapeenterprisenetworks.com/





verification. These companies also then have opportunities to invest in offsetting projects as required, within or adjacent to the landscapes that supply them.

Other benefits of collaboration between LENs and RLUPs include the ability to tackle concerns about remote buyers using carbon or other ecosystem services for greenwashing, because LENs working with RLUPs have the potential to access businesses with local dependencies and create trusting relationships where the identity and motivations of buyers are transparent to landowners and communities.

Collective bargaining by landowners avoids exacerbating conflicts or a race to the bottom among competing landowners seeking to attract natural capital investment, ensuring all landowners receive the same fair price for the services they provide. It is however worth noting that LENs typically operates at catchment scales, so may focus within a specific area of an RLUP where there are particular business dependencies on natural capital. Not all areas of an RLUP will have these dependencies, but the RLUP would still be able to coordinate engagement with offset markets in these locations, ensuring that habitat creation and restoration dovetails with LENs interventions.