

# **Agriculture and Rural Communities (Scotland) Bill**

## **Islands Communities Impact Assessment**

**February 2024**

# Agriculture and Rural Communities (Scotland) Bill Islands Communities Impact Assessment

## Step 1 – Develop a clear understanding of your objectives

The Scottish Government's [Vision for Agriculture](#), published in March 2022, outlines our long term vision to transform how we support farming and food production in Scotland to become a global leader in sustainable and regenerative agriculture.

After the UK withdrawal from the EU on 31 January 2020, our priority for agriculture and rural development was to provide stability and security for producers, land managers, and business. In 2020, the [Agriculture \(Retained EU Law and Data\) \(Scotland\) Act](#) was enacted to allow the Scottish Ministers to ensure that EU CAP (Common Agricultural Policy) payments and schemes would continue for a period of stability and simplicity after EU-exit.

In August 2022, the Scottish Government ran a public consultation titled '[Delivering our Vision for Scottish Agriculture: Proposals for a new Agriculture Bill](#)'. This consultation set out proposals to deliver the Scottish Government's Vision for Agriculture. The Agriculture and Rural Communities (Scotland) Bill will aim to provide Scotland with a framework to deliver high quality food production, climate mitigation and adaptation, nature protection and restoration, and wider rural development.

The new Agriculture and Rural Communities (Scotland) Bill aims to provide the legal framework to deliver:

- the Scottish Government's Vision for Agriculture;
- the National Performance Framework outcomes;
- Programme for Government and Bute House draft shared policy programme priorities;
- emissions and nature restoration targets;
- building on minimum regulatory standards;
- Just Transition which supports agriculture, land integration and land use change in a way that follows the Just Transition principles;
- value for money; and
- broad alignment to EU CAP objectives.

The primary purpose of this Bill is to (i) provide the Scottish Ministers with the necessary powers to manage and replace the current assimilated law Common Agricultural Policy framework for agriculture and land use support; and (ii) provide Scottish Ministers with the powers to deliver the Scottish Government's Vision for

Agriculture. It also provides the Scottish Ministers with powers to make provision for continuing professional development (CPD) for farmers, crofters, land managers and other persons, and to continue support for wider rural development.

## **Payments Framework**

Currently Scottish Government utilises rolled-over powers under Retained EU Law (REUL) legislation to make support payments under legacy CAP schemes. In order to continue to be able to make appropriate support payments it is intended to take new powers under the Bill to make relevant support payments, which will remain broadly aligned with the new EU CAP.

The Bill is a framework bill, and creates the powers needed to enable the next generation of farm and rural support schemes. Detail of the schemes will be set out in (for example) secondary legislation, and will be subject to separate impact assessments as appropriate at that time.

The broadly framed enabling powers set out in the Bill will allow for continuation of support payments. These powers will also be flexible enough to allow for adaptation of that support in future in order to adapt to changing requirements, should Ministers choose to do so.

## **Food and Drink**

The enabling powers in the Bill will provide for financial support to food and drink businesses for a range of specified purposes including in response to exceptional or unforeseen circumstances in the sector. Financial support will be available to all businesses including in island communities. This will have a positive impact on businesses and also the wider islands community through the potential for economic stability and growth, and jobs. Food and drink is an important contributor to the economy of the islands.

The geography of Scotland means that there is enormous diversity in how easy it is to produce or obtain food. The notion of a product being produced on an island has the potential to enhance its appeal to consumers, adding something special to its story. Of the 14 Scottish products protected under the EU protected names scheme, five are from our islands, demonstrating the importance of these areas to the Scottish food landscape.

## **Climate and Nature**

Through the support framework, the Bill enables the Scottish Government to deliver towards the outcomes of climate mitigation, adaptation and nature restoration and ensure farming in Scotland can continue to produce our food more sustainably and that the land is managed more sustainably. This will support delivery of outcomes and strategies, including the Climate Change Plan, Scottish National Adaptation Plan and Biodiversity Strategy.

## **Payments Administration & Data**

The broadly framed enabling powers set out in the Bill allow for the Scottish

Ministers to make regulations about (1) administration and audit of payments made under the framework, and (2) the collection, processing and or sharing of data in connection with such payments.

These regulations and powers will enable the Scottish Ministers to enforce, monitor and evaluate progress to achieving the objectives of the bill and the Vision. Successful achievement of bill and Vision objectives should have a positive impact on the businesses who may benefit from support and in turn the powers should help enable the realisation of benefits to the wider islands community through this potential for economic stability and growth, and jobs.

### **Support for Rural Communities and Rural Networking**

The broadly framed enabling powers set out in the Bill will allow for continuation of support to rural communities and for rural networking. These powers will also be flexible enough to allow for adaptation of that support in future in order to adapt to changing requirements, should Ministers choose to do so.

### **Animal Health, Welfare and Genetic Resources**

The powers to provide support for the purposes set out in Parts 4 and 5 of the Schedule 1 allow for support in areas covered by the Islands (Scotland) Act 2018.

The Scottish Ministers would be able for example to provide continuing support for the Highlands and Islands Veterinary Services Scheme. This scheme ensures the provision of an adequate veterinary service for crofters and those of like economic status for the purpose of preventative or eradication measures with no cost disadvantage due to remote location.

The powers provided for in Part 4 of the Act would be applied equally on the Scottish islands as elsewhere due the necessity of maintaining a traceability system for the control of disease.

### **Plant Genetic Resources**

The powers in the bill enable us to provide support for sources of plant genetic resources. When support is given, it will be based on the resource and have no impact on the location, therefore there is no impact in particular to the islands.

### **Access**

The powers in the bill enable Ministers to provide support to assist with the provision of public access over land. Where support is given it will be based on local needs and requirements, which will take into account the particular needs of any islands communities, but will have no specific or particular impact on the islands.

### **Forestry**

As the proposed powers within the Bill are to enable continuity of the existing Forestry Grant Scheme, so far as possible, it is not perceived to have a likely impact on Island communities. The Forestry Grant Scheme currently supports

island communities by offering enhanced grant rates for the northern and western isles. Should significant changes to the existing grant scheme take place in future, appropriate impact assessments will be carried out to assess the potential impacts at that stage.

### Knowledge, innovation, education and training

The Bill includes new powers in respect of training and personal development relating to agricultural, forestry, land management or related sectors. This is in addition to provision of other forms of learning and sharing information, including provision of advice. It also includes new powers relating to innovation and other research and development activities which may improve or support rural communities, rural land or land use. There is also power to support these activities through the development, use and maintenance of digital tools and resources.

In addition, the Bill provides the Scottish Ministers with powers to make provision for continuing professional development (CPD) for farmers, crofters, land managers and other persons.

### Existing evidence

The Scottish Government’s Vision for Agriculture, published in March 2022, outlines our long-term vision to transform how we support farming and food production in Scotland, to become a global leader in sustainable and regenerative agriculture.

The powers in the Bill will support that Vision ensuring farming and food production in Scotland becomes a global leader in sustainable and regenerative agriculture.

Programmes made under the new powers will be taken forward under the Agricultural Reform Programme (ARP), which will consider the detail of policy implementation further as it progresses.

Table 1 presents an overview of current agricultural activity and the number of people working on agricultural holdings on the Islands from the [2023 Scottish Agricultural Census](#).

**Table 1 – Agricultural workforce and activity on the Islands (2023 Scottish Agricultural Census)**

	Shetland	Orkney	Na h-Eileanan Siar	Other Islands <sup>1</sup>	All Islands
Agricultural workforce (including occupiers)	1,996	1,922	3,696	2,705	10,319
Cattle	4,649	75,100	5,736	35,229	120,714
Sheep	293,907	132,086	136,952	284,914	847,859
Pigs	c <sup>2</sup>	c	1,135	1,467	3,575
Poultry	2,648	3,263	2,898	3,025	11,834

<sup>1</sup> Other islands include: Colonsay, Jura, Islay, Gigha, Mull, Tiree, Coll, Arran, Bute & Cumbrae, Skye, Rhum, Eigg, Muck and Canna

<sup>2</sup> c = data suppressed to prevent disclosure of individual holdings

Our key stakeholders are the farming sector bodies and environmental sector bodies, given the biodiversity link. Some examples of our key stakeholders include the Scottish Crofting Federation, the National Sheep Association (Scotland), the Scottish Beef Association, NFUS, QMS, NatureScot, Scottish Rural College, Scottish Land and Estates, Soil Association, WWF. While some of the broader Climate Change stakeholders such as the Climate Change Committee, Stop Climate Chaos Scotland can be seen as stakeholders.

The types of farming activity on islands, such as crofting, are more small scale than large scale farming. The population make up is similar across the islands with 45-64 year olds making up the largest group in all islands, however, there has been a substantial percentage increase in 65-74 and 74+ age groups across all islands,<sup>3</sup> and higher projected reductions in children and working age population in islands compared to mainland Scotland.<sup>4</sup> Projected loss of working age population in the islands is therefore anticipated to be disproportionately higher than elsewhere. Some islands have seen net population growth, (Orkney Mainland and Connected Islands and the Highland Islands), whilst others (Arran, Bute and the Cumbraes and the Shetland Outer Isles) have declined in population.<sup>5</sup> It should be noted that the characteristics of islands have similarities with some areas on the mainland (mostly Northwest/West and upland areas) and believe in general there is little difference between the islands and these areas of the mainland.

Island communities could be perceived to be more impacted by the bill (negatively or positively). Agriculture, forestry and fishing makes up 5% of the GVA of local authorities classified as islands, remote rural or mainly rural compared to 0.4% of local authorities classified as urban or urban with substantial rural.<sup>6</sup> Percentage employment in this sector is also highest in remote rural areas at 15%, which includes the majority of island groups.<sup>7</sup> Moreover, the impacts of climate change may be felt more strongly in island communities where more extreme weather conditions and rising sea levels may make islands more prone to coastal flooding, coastal erosion and reduced supplies of fresh drinking water.<sup>8</sup>

A significant amount of crofting activity revolves around livestock production, and in many areas this is associated with low-intensity systems of high nature value. It is in these areas that we see a natural balance between food production and the environment, creating a rich diversity of wildlife habitats. The sensitive management of grasslands, field margins and moorland habitats, provides biodiversity and environmental benefits. This is particularly evident in some of our island areas, one example is the internationally renowned machair of the Uists. Crofting tenure brings additional benefits to our rural and island areas in terms of population retention, and can contribute towards food security and tourism/agri-tourism.

---

<sup>3</sup> [NRS Small Area Population Estimates \(2021\)](#)

<sup>4</sup> [Mid-year population estimates by Scottish Island Region](#), National Records of Scotland (2021)

<sup>5</sup> [NRS Small Area Population Estimates \(2021\)](#)

<sup>6</sup> [Regional gross value added \(balanced\) by industry: RESAS classification for the rural economy, 1998 to 2021](#), Office for National Statistics.

<sup>7</sup> [Rural Scotland Key Facts 2021](#)

<sup>8</sup> [Sea Level, Marine Scotland \(2020\)](#)

The current Less Favoured Area Support Scheme (LFASS) provides income support, considered to be essential, to farming businesses in remote and constrained rural areas. LFASS payments support land-based businesses and compensate for income foregone and for additional costs linked to natural constraints in order to encourage the use of agricultural land. This contributes to the maintenance of the countryside as well as to the maintenance and promotion of sustainable farming systems. It allows farmers and crofters to continue to operate as viable businesses and avoids the risk of land abandonment.

A commitment has been made to maintain direct payments to support active farming and food production in Scotland to ensure there will be no cliff edges in support. LFASS is expected to continue until 2026, however, consideration is still being given to how this type of support will be delivered from 2027 within the new Framework.

It is the intention that a replacement for LFASS must align with our Vision for Agriculture to ensure that farming, crofting and land management will continue to play an important role in maintaining thriving rural and island communities and those producing in areas of natural constraint are supported through the new Support Framework.

## **Step Two – Gather your data and identify your stakeholders?**

### **Payments Framework**

The broadly framed enabling powers set out in the Bill will allow for continuation of support payments and it is not perceived to have any impact on island communities

### **Food and Drink**

The stakeholders in question are all food and drink businesses in island communities. Figures are not available for the number of food and drink businesses involved.

Support for businesses will have a positive impact on the wider islands community through the potential for economic stability and growth, and jobs.

### **Climate and Nature**

Businesses that will be supported to deliver toward climate and nature outcomes through regulations made under this Bill Will be farmers, crofters and land managers across rural Scotland, including in the islands.

### **Payments Administration & Data**

The broadly framed enabling powers will enable the Scottish Ministers to enforce , monitor and evaluate progress to achieving the objectives of the bill and the Vision. Successful achievement of bill and Vision objectives should have a positive impact on the businesses who may benefit from support and in turn the powers should help enable the realisation of benefits to the wider islands community through this

potential for economic stability and growth, and jobs.

### **Support for Rural Communities and Rural Networking**

Stakeholders relating to rural communities and rural networking will be all island communities and stakeholders. However, no specific impact has been identified resulting from the broadly framed enabling powers set out in the Bill.

### **Animal Health, Welfare and Genetic Resources**

Stakeholders on the Scottish islands will be those who keep animals for agricultural purposes. Those specifically affected by the powers enabling support for animal health, welfare and genetic resources will (if Ministers choose to include these purposes in the support framework) be claimants. At present we do not have the means to identify the number of potential claimants for schemes including these purposes.

### **Access**

Stakeholders on the Scottish islands include farmers, crofters, rural communities, and those with an interest in public access. However, no specific impact has been identified from the broadly framed enabling powers set out in the Bill.

### **Forestry**

As the proposed powers within the Bill are to enable continuity of the existing Forestry Grant Scheme, so far as possible, it is not perceived to have a likely impact on Island communities. The Forestry Grant Scheme currently supports island communities by offering enhanced grant rates for the northern and western isles. Should significant changes to the existing grant scheme take place in future, appropriate impact assessments will be carried out as appropriate to assess the potential impacts at that stage.

### **Knowledge, innovation, education and training**

Stakeholders on the Scottish islands include farmers and crofters as well as people who are wishing to enter farming and crofting. Those specifically affected by the powers will be those seeking knowledge and innovation support to develop their businesses, not only in terms of productivity, but also to meet the challenges of climate change and biodiversity loss as well as other aims of the Vision of Agriculture. We are not able to fully identify the number of people wishing to use the knowledge and innovation support as it is currently envisaged that it will be voluntary rather than mandatory i.e demand led.

## **Step Three – Consultation**

In August 2022, the Scottish Government ran a public consultation titled [‘Delivering our Vision for Scottish Agriculture: Proposals for a new Agriculture Bill’](#) and ran for 14 weeks. In total there were 392 valid responses to the consultation comprising of responses from 225 individuals and 167 organisations. The public consultation played a key role in gathering further evidence in relation to the Island Communities



## Impact Assessment.

Further to this consultation there was substantial stakeholder engagement across Scotland including Skye and Orkney. In total there were nine in person events throughout Scotland (Inverness, Skye, Aberdeen, Oban, Scottish Borders, Stirling, Dumfries and Galloway, Ayrshire, and Orkney). In addition, five online events designed to ensure that views from across Scotland were heard. The Scottish Government's Agriculture and Rural Development Stakeholder Group and Agriculture Reform Implementation Oversight Board were consulted in detail on the proposed approach to the Bill. Whilst, Agricultural tenancy elements were discussed with the Tenant Farming Advisory Forum in particular.

The results of this engagement is that it has not highlighted any potential negative impacts that the Bill itself and the initiatives and policies covered within may have on certain groups. This has allowed any negative impacts to be considered thoroughly and ensured steps were taken to mitigate these. However, as the Bill is largely enabling it will have limited impact on Island Communities.

The consultation asked the question:

*“Are you aware of any examples of how the proposals in this consultation might impact, positively or negatively, on island communities in a way that is different from the impact on mainland areas?”*

Responses in regard to island-specific impacts noted in the consultation analysis were:

- poorer transport links might make implementing some proposals more difficult,
- Scottish Government finance and data leading environment controls might make some landowners feel control is shifting away,
- housing is an issue on islands which makes the challenge of attracting new entrants more difficult. Island communities have explained that due to poor connectivity with the mainland they often struggle to sustain industry and education,
- any conditionality of support applied must recognise the starting position of a lot of the soils in fragile areas, including islands that are typically higher organic matter soils – and in the northwest highlands,
- more remote locations often have more fragile ecosystems.

## Payments Framework

There has been no separate consultation in relation to the islands communities impact assessment for Payments Framework, beyond that described above.

It is anticipated that Islands and the mainland will have the same opportunities to benefit, contribute and gain access to services and benefits as on the mainland.

## **Food and Drink**

There has been no separate consultation in relation to the islands communities impact assessment for food and drink, beyond that described above. The impact of the Bill on island food and drink businesses – and hence the wider community - is considered to be positive since it will provide for financial support from Scottish Ministers.

## **Climate and Nature**

There has been no separate consultation in relation to the islands communities impact assessment for climate and nature, beyond that described above.

It is anticipated that Islands and the mainland will have the same opportunities to benefit, contribute and gain access to services and benefits as on the mainland.

## **Payments Administration & Data**

There has been no separate consultation in relation to the islands communities impact assessment for Payments administration and data, beyond that described above.

It is anticipated that Islands and the mainland will have the same opportunities to benefit, contribute and gain access to services and benefits as on the mainland.

## **Support for Rural Communities and Rural Networking**

There has been no separate consultation in relation to the islands communities impact assessment for rural communities and networking. However, no impacts have been identified through either the Bill consultation or stakeholder contact resulting from the broadly framed enabling powers set out in the Bill relating to support for rural communities and rural networking.

## **Animal Health, Welfare and Genetic Resources**

No specific or separate consultation on the impact of the enabling powers in the Agriculture Bill has been carried out in relation to the Scottish islands. However, it is known that because of their geographic position and ability to coordinate local action (for example where common grazings are used) and control movements onto islands through ports the Scottish Islands have shown progressive leadership in animal health. Examples include Bovine viral Diarrhoea (BVD) control in Orkney, the Shetland Animal Health Scheme, and the recently initiated Sheep Scab control project in Lewis and Harris. These initiatives provide confidence that the enabling powers have the potential to serve island communities well in the future.

Comments at the Orkney event usefully highlighted the focus on some islands of particular types of livestock production, for example cattle in Orkney and sheep in Shetland. The longer and more challenging transport links between islands and to the mainland were also mentioned. These comments indicate that there may be scope, should Ministers choose, to use the payment powers to deliver support to island communities in a way that is suited to local circumstances and production

systems.

## **Access**

There has been no separate consultation in relation to the islands communities. However, no specific impacts have been identified.

## **Forestry**

As the proposed powers within the Bill are to enable continuity of the existing Forestry Grant Scheme, so far as possible, it is not perceived to have a likely impact on Island communities. The Forestry Grant Scheme currently supports island communities by offering enhanced grant rates for the northern and western isles. Should significant changes to the existing grant scheme take place in future, appropriate impact assessments will be carried out to assess the potential impacts at that stage.

## **Knowledge, innovation, education and training**

There has been no separate consultation in relation to the islands communities impact assessment for skills and knowledge, beyond that described above.

It is anticipated that the Islands will have the same opportunities to benefit from skills and knowledge opportunities under the secondary legislation as on the mainland.

## **Summary of main impacts across data gathering and consultation**

Overall, no adverse impacts were identified regarding the broadly framed enabling powers set out in the Bill.

The enabling powers in the Bill will provide for financial support to food and drink businesses for a range of specified purposes and this will include businesses in island communities. This will have a positive impact on the businesses who may benefit from support including in response to exceptional or unforeseen circumstances in the sector. This in turn will have a positive impact on the wider islands community through the potential for economic stability and growth, and jobs.

The proposed powers within the Bill are to enable climate and nature outcomes. Therefore, no specific impacts have been identified for the broad provisions relating to climate and nature outcomes.

However, data collection is important with regard to effective delivery of animal health, welfare and genetics policies. Poor connectivity on the islands is problematic in some areas and may lead to slower collection and sharing of data compared to services on most areas of the mainland. Overall, the impact of this delay will not significantly impact on use of the enabling powers in the Bill and continuing investment in connectivity will improve the situation.

The proposed powers within the Bill are to enable continuity of the existing Forestry Grant Scheme, so far as possible, it is not perceived to have a likely impact on

Island communities. The Forestry Grant Scheme currently supports island communities by offering enhanced grant rates for the northern and western isles. Should significant changes to the existing grant scheme take place in future, appropriate impact assessments will be carried out to assess the potential impacts at that stage.

## Step Four – Assessment

The following table sets out the key issues in this impact assessment and the mitigations in place:

<b>Policy area</b>	<b>Issue (if any)</b>	<b>Key Mitigation (if any)</b>
<b>Payments Framework</b>	No issues raised.	Not applicable.
<b>Food and Drink</b>	No issues identified.	Not applicable.
<b>Climate and Nature</b>	The proposed powers within the Bill are to enable climate and nature outcomes. No specific impacts relating to the islands have been identified for the broad provisions relating to climate and nature.	Not applicable.
<b>Payments Administration &amp; Data</b>	No issues raised.	Not applicable
<b>Support for Rural Communities and Rural Networking</b>	No issues raised.	Not applicable.
<b>Animal Health, Welfare and Genetic Resources</b>	No issues raised.	Not applicable.
<b>Plant</b>	No issues raised.	Not applicable.
<b>Access</b>	No issues raised.	Not applicable
<b>Forestry</b>	No issues have been raised as the powers within the Bill are to enable continuity of the existing Forestry Grant Scheme, so far as possible, which is not perceived to have a likely impact on Island communities	Not applicable
<b>Knowledge, innovation, education and training</b>	No issues raised.	Not applicable.

## **Do you feel as though a full Islands Impact Assessment is required for your policy?**

There is no specific identified or different impact of the policy on islands or island communities, compared to other communities.

The Bill does not take direct powers with regards to climate and nature. The Bill provides enabling powers through the support framework that will enable the Scottish Government to deliver towards its climate and nature outcomes. It is anticipated that the Islands will have the same opportunities to benefit, contribute, and gain access to services and benefits as on the mainland. The impact on the Islands with regards to climate and nature will therefore be considered as part of future scheme design and secondary legislation processes.

The powers set out in the Bill relating to support for rural communities and rural networking are broadly framed, enabling powers. We judge that these powers will not have either a positive or negative impact, as they do not in and of themselves change the Scottish Government's policy approach or interventions in this area.

The proposed powers within the Bill are to enable continuity of the existing Forestry Grant Scheme, so far as possible, it is not perceived to have a likely impact on Island communities. The Forestry Grant Scheme currently supports island communities by offering enhanced grant rates for the northern and western isles.

Therefore, a full Islands Community Impact Assessment is **NOT required**.

### **Conclusion**

In the lead up to Agriculture and Rural Communities (Scotland) Bill, the Scottish Government consulted extensively and through continued co-develop policy with key stakeholders. Consultation evidence indicates that the Agriculture and Rural Communities (Scotland) Bill will have a minimal impact on the Islands and their communities.

Specifically, the Scottish Government will undertake the mitigating actions outlined within this ICIA, and in noting the high-level nature of the Agriculture and Rural Communities (Scotland) Bill, will require subsequent policy and regulatory legislation to have regard to island communities and undertake additional ICIA's as relevant under the Islands (Scotland) Act 2018.

### **Sign off of the Islands Community Impact Assessment**

ICIA authorised by: Mairi Gougeon

Position: Cabinet Secretary for Rural Affairs, Land Reform and Islands

Date: 16 February 2024



© Crown copyright 2024

**OGL**

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.scot](http://www.gov.scot)

Any enquiries regarding this publication should be sent to us at

The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

ISBN: 978-1-83521-980-5 (web only)

Published by The Scottish Government, February 2024

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS1413454 (02/24)

**W W W . g o v . s c o t**