

National Test Programme

Island Communities Impact Assessment

October 2022

Island Communities Impact Assessment

Please ensure this template is completed in conjunction with the Island Communities Impact Assessment (ICIA) Guidance on the [Scot Gov Website](#)

Name of Policy, Strategy or Service

National Test Programme

Step One – Develop a Clear Understanding of Your Objectives

- What are the objectives of the policy, strategy or service?
- What are the intended impacts/ outcomes and how do these potentially differ across the islands?

The National Test Programme sits within the wider Scottish and UK context of transitioning agricultural support from the previous EU Common Agricultural Policy (CAP) regime to a domestic future rural support framework. The Programme recognises the need for urgency in addressing the climate change and biodiversity crises, as well as providing learning which will inform the further development of the future support framework and the new Scottish Agriculture Bill.

There will be a phased approach to the rollout of the Programme in 2022, making measures available to the current recipients of farm support payments on a voluntary basis. This will support farmers and crofters to better understand the sustainability of their business and policy development will include consideration of the measures that will become a mandatory requirement for accessing support under the long term future framework.

This type of conditionality is expected to apply to various core themes in the future, including:

- Greenhouse gas emissions
- Biodiversity audits
- Soil testing
- Nutrient and forage plans, and
- Animal health and welfare plans

The Programme will be used to explore how best to apply some of these along with actions ensuring that they deliver towards environmental outcomes and continue to support food production. This will allow for a co-design approach, support a Just Transition, and inform the development of the future support framework.

The Programme will be split into two “tracks”:

Track One – Preparing for Sustainable Farming

This will offer every farmer, crofter and land manager in Scotland support for a Carbon Audit. Once they have completed a Carbon Audit, or if they have already completed one, they can receive support for soil analysis. In addition, as part of a

livestock digital data project farmers and crofters with cattle will be provided with access to performance data relating to their herd.

The purpose of this track is to encourage farms to improve their knowledge of their own current environmental performance and efficiency. Support for carrying out these audits and analysis will incentivise businesses to create a baseline of information and understanding in sustainable agriculture. This is a voluntary opportunity open to all farmers, crofters and land managers, to enable their businesses to gain an understanding of their own baseline at an individual farm level.

Track Two – Testing Actions for Sustainable Farming

This will include detailed testing of how new conditions or activities could be applied to future support, and to ensure delivery of environmental outcomes in a way that supports sustainable businesses. Once tested as part of the Programme, these can then inform future rural support schemes which will be rolled out nationwide. As part of the livestock digital data project under this track, SAOS (3rd party) will work with a small number of beef farmers, in different geographic areas, to demonstrate the impact of agri-tech and specialist advice and this will help inform future decisions on how advisory services and capital funding can be used to support Scottish beef farming businesses to improve productivity.

The purpose of this track is to develop and test actions that are being considered as conditional elements of future direct support, and to determine the data and metrics required to demonstrate they deliver against outcomes. The intention is that this will create a robust understanding of how new conditions or activities could be applied to future support, and ensure delivery of environmental outcomes in a way that supports sustainable businesses. Like Track One, participation will be voluntary, although it will not be open to every farmer, crofter and land manager in Scotland. Instead, the number of participants will be limited in order to explore these issues in more detail in a manageable fashion.

It is not expected that either Track One or Track Two of the National Test Programme will have a different impact across the islands.

The support being offered under Track One is aimed at every farmer, crofter and land manager in Scotland that is currently eligible to receive support under the domestic continuation of the EU CAP, and the entry requirements are being set at a deliberately low level to try to minimise barriers to entry and encourage as many businesses as possible to participate. In addition, the support for soil analysis is being structured in such a way as to provide enough flexibility to meet the wide range in both size and type of farming systems across Scotland.

Although Track Two will only be open to a limited number of participants, this will be done through designing a representative sample across all types of agriculture in Scotland. Statisticians from the Scottish Government Agricultural Analysis Unit are currently working on establishing the methodology for this. The sample will include a broad range of businesses, from those early adopters, likely to be ahead on the issues we wish to test, to those harder to reach businesses who may perceive greater barriers and are likely to need more support. The methodology will include

minimum requirements for each region of Scotland, including the islands, and will involve targeted communications where necessary.

Step Two – Gather Your Data and Identify Your Stakeholders

- What data is available about the current situation in the islands?
- Who are your key Stakeholders?
- How does any existing data differ between islands?
- Are there any existing design features or mitigations in place?

Various data on farm types, size, and outputs is available for the islands.

This data shows that, like the majority of the Highlands and other upland areas of mainland Scotland, the islands are classed as being severely disadvantaged under [the “Less Favoured Area” \(LFA\) classification](#). This was a classification established under the EU, which indicates land defined by:

- i. The presence of poor land of poor productivity, which is difficult to cultivate and with a limited potential which cannot be increased except at excessive cost, and which is mainly suitable for extensive livestock farming.
- ii. Lower than average production, compared to the main indices of economic performance in agriculture.
- iii. A low or dwindling population predominantly dependent on agricultural activity, the accelerated decline of which could cause rural depopulation.

The data shows that the predominant farm type across islands such as the Western Isles, Skye and Shetland tends to be LFA Sheep, whereas islands such as Orkney, Islay, Jura and Arran tend to be predominantly LFA Beef. The majority of the islands (and the Western Isles and Skye in particular) have a large proportion of farms that are less than 20ha in size. This is similar to many areas on the north-west mainland, and is in part due to the high levels of crofting found in many of these areas.

The data also shows that some islands, namely the Western Isles, Orkney and Shetland, have a higher rate of agricultural employment than the rest of Scotland.

The key stakeholders for agriculture in the islands include the Scottish Crofting Federation, the National Sheep Association (Scotland), the Scottish Beef Association, and the National Farmers Union for Scotland.

Step Three - Consultation

- Is there any information already gathered through previous engagements?
- How will you carry out your consultation and in what timescales? Public meetings/Local Authorities/key Stakeholders
- What questions will you ask when considering how to address island realities?
- Separate consultation events for Island communities/Local Authorities?

A series of industry-led groups were established in 2020 to provide business knowledge, expertise and perspective through a series of reports and

recommendations. These 'Farmer Led Groups' covered suckler beef, arable, dairy and pigs as well as the hill, upland farming and crofting sectors. Due to the nature of the sector, the membership of the hill, upland farming and crofting group in particular included several representatives from across the islands, covering different geographical areas and farm types.

Following the publication of the Farmer Led Groups' reports between October 2020 and July 2021, the Scottish Government committed to consult on a potential sustainable Suckler Beef Climate Scheme as part of a wider suite of proposals on the future of agriculture support. In response to the reports, however, a number of stakeholders, including the National Farmers Union of Scotland (NFUS), called for a more pan-sectoral approach. It was therefore agreed that the consultation would be expanded to encompass all sectors of Scottish agriculture, consulting on key questions on the recommendations of all the Farmer Led Groups. Consequently the Scottish Government launched the ['Agricultural transition – first steps towards our national policy' public consultation](#) which ran from 25 August 2021 to 17 November 2021, and received over 300 responses.

The consultation focused broadly on the recommendations of the Farmer Led Groups, which aimed to provide practical recommended actions to lower Scottish agriculture's carbon footprint, enhance the environment and boost business. The recommendations were broken down into nine core themes, and key questions were asked on each:

- Baselining
- Capital Funding
- Biodiversity
- Just Transition
- Sequestration
- Productivity
- Research & Development
- Knowledge & Skills, and
- Supply Chains.

The [results of this consultation were published on 26 August 2022](#) and will be used by Government including through discussion with the Agriculture Reform and Oversight Board (ARIOB) and other stakeholders on the future support framework. These discussions and the responses to the baselining questions in particular have been used to inform the development of the twin tracks of the National Test Programme.

The National Test Programme has been developed in consultation with the ARIOB and the Policy Development Group (PDG) that was established to support the ARIOB. The PDG has considered the proposals in detail, which have then been reported to the ARIOB who have had the opportunity to offer a view.

The ARIOB represents a wide range of interests across agriculture and beyond to ensure a good representation, including from the islands. The PDG is a small group, however the members have been selected as they have an overview of the sector and land management, to then represent a range of interests, rather than sectoral.

Research is also being undertaken as part of the design and delivery of the digital services. This includes research with end users to identify their needs and problems accessing and using the services that will deliver the National Test Programme.

The National Test Programme should be viewed as part of the ongoing co-design and participative consultation process with farmers, crofters and land managers, rather than the culmination of previous engagement. Its development has been heavily informed by the views of these businesses, including those with island interests, presented through the Farmer Led Group reports and recommendations, the public consultation, and the input of the ARIOB. As the name suggests, the Test Programme will also help the Scottish Government to test the impact of the actions and requirements of the two tracks as part of the development process for the long term future rural support framework. Further engagement with businesses will take place as part of the monitoring and evaluation of this Test Programme.

Step Four - Assessment

- Does your assessment identify any unique impacts on island communities?:
 - Demographic
 - Economic
 - Gaelic
 - Social
- Does your assessment identify any potential barriers or wider impacts?
- Are there mitigations already in place for these impacts raised?

Demographic Impacts:

No unique impact. The majority of farmers across Scotland are over 55, but Track One will be open to anyone that meets the eligibility requirements, regardless of age, and participants for Track Two will be drawn from a representative sample. In addition, participation in either track will be entirely voluntary. It is therefore not expected that the Programme will have any impact on the demographics of the island communities.

Economic Impacts:

No unique impact. The voluntary twin tracks of the Programme aim to encourage farmers, crofters and land managers to be aware of the environmental actions and metrics associated with their own activities, in preparation for this becoming mandatory in the future as part of the shift towards a long term future rural policy framework. It is therefore not expected that the Programme will have a unique impact on the economies, environments, and/or infrastructure of the islands.

The process for claiming support under the Programme is entirely online, but this mirrors the process used for the applications for the main rural support subsidy schemes. Recognising the issues with internet connectivity in the remote rural areas, including the islands, that many of their businesses operate in, participants also have the option of completing the claim form at their local RPID area office, in the same way as they are able to for their applications for the main rural support subsidy schemes. The first phase of Track Two will be an online survey, with the option for

paper copies to be posted out and submitted for those that require it, to ensure that a lack of internet access doesn't exclude any participants.

Gaelic Impacts:

No unique impact. The process for claiming support under the Programme is entirely online and mirrors the process used for the applications for the main rural support subsidy schemes. This includes access to the Gaelic versions of the Customer Service pages on the Rural Payments website.

Social Impacts:

No unique impacts. The National Test Programme is entirely voluntary, and is focussed on supporting and encouraging farmers, crofters and land managers to be aware of the environmental actions and metrics associated with their own activities, in preparation for this becoming mandatory in the future as part of the shift towards a long term future rural policy framework. It is not expected that it will have any impact on deprivation or social exclusion in the islands.

Potential Barriers/Wider Impacts:

Access to the internet in order to participate in and claim support under the Programme. This issue is not unique to the Islands, as farm businesses exist in many of Scotland's most remote areas where internet connectivity is an issue. It is also not unique to the National Test Programme, as the claims made under the existing schemes under the continuation of the CAP are also made online. There are existing mitigations in place for this, as claimants are able to go to their local RPID area office to submit their claim. The first phase of Track Two will be an online survey, with the option for paper copies to be posted out and submitted for those that require it, to ensure that a lack of internet access doesn't exclude any participants.

Is a full Island Communities Impact Assessment required?

You should now determine whether, in your opinion, your policy, strategy or service is likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities). To form your opinion, the following questions should be considered:

- Are there mitigations in place for the impacts identified and noted above from stakeholders and community consultations? (If further ICIA action is not required, complete the section below and publish).
- Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as levels of satisfaction, or different rates of participation)?
- Are these different effects likely?
- Are these effects significantly different?
- Could the effect amount to a disadvantage for an island community compared to the mainland or between island groups?
- If your answer is 'no' to the above questions, please complete the box below.

- If the answer is 'yes', an ICIA must be prepared and you should proceed to Step 5.

The National Test Programme is unlikely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities).

The evidence shows that the type of farming undertaken on the islands is predominantly crofting and LFA cattle and sheep farming, similar to other remote areas of mainland Scotland. The twin tracks of the National Test Programme have been designed with this variation of farming type in mind. The eligibility requirements for Track One have been set deliberately low so as to encourage as many farm businesses as possible to apply, and the support for soil analysis is being structured in such a way as to provide enough flexibility to meet the wide range in both size and type of farming systems across Scotland. Recruitment for participants in Track Two will be done using a representative sample across all types of agriculture in Scotland. The methodology will include minimum requirements for each region of Scotland, including the islands, and will involve targeted communications where necessary. Participation in either track is also entirely voluntary.

The fact that claims made under the Programme will need to be done online has been identified as a potential barrier, however not one that is unique to the islands (nor indeed unique to the National Test Programme), and mitigation measures are already in place as claimants are able to submit their claims at their local RPID area office, and there will be the option for paper copies of the online survey for the first phase of Track Two to be posted out for those that require it, to ensure that a lack of internet access doesn't exclude any participants.

A full Islands Community Impact Assessment is NOT required

In preparing the ICIA, I have formed an opinion that our policy, strategy or service is not likely to have an effect on an island community which is significantly different from its effect on other communities (including other island communities). The reason for this is detailed below.

Reason for not completing a full Islands Communities Impact Assessment:

The National Test Programme is a voluntary programme, and any current recipient of farm support payments is able to participate should they wish (subject to meeting the relevant eligibility criteria).

The eligibility requirements for Track One are being set deliberately low so as to encourage as many farm businesses as possible to apply, and the support for soil analysis is being structured in such a way as to provide enough flexibility to meet the wide range in both size and type of farming systems across Scotland. Recruitment for participants in Track Two will be done using a representative sample across all types of agriculture in Scotland, the methodology of which will include minimum requirements for each region of Scotland, including the islands, and will involve targeted communications where necessary.

The Programme is focussed on supporting and encouraging farmers, crofters and land managers across Scotland to be aware of the environmental actions and metrics associated with their own activities, in preparation for this becoming mandatory in the future as part of the shift towards a long term future rural policy framework. It is therefore not expected to have any unique social, economic, demographic, or Gaelic, impacts in terms of island communities.

The fact that claims made under the Programme will need to be done online has been identified as a potential barrier, however not one that is unique to the islands (nor indeed unique to the National Test Programme), and mitigation measures are already in place. Claimants are able to submit their claims at their local RPID area office, and paper copies of the online survey for the first phase of Track Two will be posted out for those that require it, to ensure that a lack of internet access doesn't exclude any participants.

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