

Agenda – Economy, Trade, and Rural Affairs Committee

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| Meeting Venue: | For further information contact: |
| Hybrid – Committee room 1&2 Senedd and video Conference via Zoom | Robert Donovan Committee Clerk |
| Meeting date: 16 February 2023 | 0300 200 6565 |
| Meeting time: 09.30 | SeneddEconomy@senedd.wales |

Private pre-meeting (09.15–09.30)

Public meeting (09.30–11.50)

- 1 Introductions, apologies, substitutions and declarations of interest**
(09.30)
- 2 Papers to note**
(09.30)
 - 2.1 Letter from the Minister for Economy**
(Pages 1 – 18)
 - 2.2 Letter from Peter Fox MS**
(Pages 19 – 21)
 - 2.3 Retained EU Law (Revocation and Reform) Bill**
(Pages 22 – 34)
 - 2.4 Letter from the Welsh Language Commissioner**
(Pages 35 – 36)
 - 2.5 Letter to the Minister for Economy and the Minister for Rural Affairs and North Wales, and Trefnydd**
(Pages 37 – 39)



- 2.6 Letter from the Minister for Rural Affairs, North Wales, and Trefnydd and the Minister for Climate Change**
(Pages 40 – 41)
- 2.7 Letter from the Minister for Economy**
(Pages 42 – 45)
- 2.8 Letter from the Minister for Rural Affairs and North Wales, and Trefnydd**
(Page 46)
- 2.9 Letter from the Minister for Rural Affairs and North Wales, and Trefnydd to the Chair of the Finance Committee**
(Pages 47 – 54)
- 2.10 Letter from the Counsel General and Minister for the Constitution to the Chair of the Legislation, Justice and Constitution Committee**
(Page 55)
- 2.11 Evidence paper – Welsh Government**
(Pages 56 – 64)
- 2.12 Letter from the Minister for Rural Affairs and North Wales, and Trefnydd**
(Pages 65 – 66)
- 2.13 Letter to the Minister for Rural Affairs and North Wales, and Trefnydd**
(Pages 67 – 69)
- 2.14 Letter to the Llywydd and Chair of the Business Committee**
(Pages 70 – 71)
- 2.15 Letter from the Minister for Rural Affairs and North Wales, and Trefnydd**
(Pages 72 – 73)
- 3 Food (Wales) Bill: Evidence session 5**
(09.30–10.30) (Pages 74 – 115)
- Angela Jones – Public Health Wales
- Dr Amanda Squire – British Dietetic Association
- Eryl Powell – Aneurin Bevan University Health Board
- Ceriann Tunnah – Betsi Cadwaladr University Health Board
- Break (10.30–10.45)**

4 Food (Wales) Bill: Evidence session 6

(10.45–11.45)

Elaine Hindal – British Nutrition Foundation

Kelly Small – Swansea Council

Pauline Batty – Monmouthshire County Council

5 Economic Crime and Corporate Transparency Bill – Supplementary LCM

(11.45–11.50)

(Pages 116 – 133)

6 Motion to elect a temporary Chair under Standing Order 17.22

7 Motion under Standing Order 17.42(ix) to resolve to exclude the public for the remainder of the meeting

(11.50)

Private (11.50–12.35)

8 Consideration of evidence following the meeting

(11.50–12.00)

9 Economic Crime and Corporate Transparency Bill – Supplementary LCM

(12.00–12.10)

10 Forward work programme paper

(12.10–12.25)

(Pages 134 – 141)

11 Agriculture (Wales) Bill: Order of Consideration – Stage 2 Proceedings

(12.25–12.35)

(Pages 142 – 150)

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee

24 January 2023

Dear Paul,

Thank you for your letter of 20 December. I have attached a written response setting out the further information as requested, following my appearance before the Economy, Trade and Rural Affairs Committee on 7 December.

I have copied this letter and the written response to the Minister for Education and Welsh Language, and the Deputy Minister for Mental Health and Wellbeing.

Yours sincerely,



Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

CC: Minister for Education and Welsh Language
Deputy Minister for Mental Health and Wellbeing

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Written Response

Economy, Trade and Rural Affairs Committee

24/01/2023

The Minister for Economy, Vaughan Gething MS, appeared before the Economy, Trade and Rural Affairs Committee on 7 December 2022. Following this appearance, the Chair of the Committee, Paul Davies MS, wrote to the Minister and requested further information.

This document outlines the Welsh Government's response.

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1. Business Rates

“We would be grateful if you could explain what consideration you gave to going further in terms of business rates than the measures announced for England, rather than matching these measures.”

Support for non-domestic rates will be provided through a freeze in the multiplier for 2023-24, at a cost of more than £200m over the next two years. We will also be providing over £140m of non-domestic rates relief for retail, leisure and hospitality businesses in Wales. Eligible ratepayers will receive 75% non-domestic rates relief for the duration of 2023-24. Following the 1 April 2023 non-domestic rates revaluation, we are also providing support through our two-year Transitional Relief scheme for ratepayers with increased liabilities. The scheme is providing £113m over two years, supporting all areas of the tax-base through a consistent and straightforward transitional scheme.

To provide the generous package of support announced for non-domestic rates over the next two years, the Welsh Government has gone further than we would have been able to using consequential funding alone. We have committed £26m more in our 2023-24 budget than we will receive as a consequence of UK Government announcements. This is in addition to our permanent reliefs that provide over £240m of support every year, fully funded by the Welsh Government.

We did give consideration to options that would go even further, for example by reducing the multiplier, but such options are not considered affordable. Given the range of pressures on public finances in Wales, the Welsh Government needed to make difficult decisions in preparing our Draft Budget for 2023-24. The support package we are providing constitutes a significant share of the resources available to us over the next two years.

2. Support for businesses to decarbonise

“How will the Welsh Government and Development Bank of Wales funds complement each other?”

The Development Bank of Wales will be working closely with the Business Wales service to ensure that businesses are aware of any complementary support which may be available alongside finance provided through the Bank. This will include providing details of any relevant grant schemes supported by the Welsh Government where these are available. There are many instances where the finance available through the Development Bank of Wales complements or works alongside grant support made available directly from the Welsh Government. The Wales Tourism Investment Fund is one example of this which has been operating successfully for some time. We endeavour to ensure that, through close working between the Welsh Government and the Development Bank of Wales, business get the support they need.

“Will the Welsh Government’s fund be made up of grants, loans or a mixture of both, and how much funding will be available?”

The Welsh Government fund will be operated by the Development Bank of Wales. The first phase will be a combination of an advice and loan offer to businesses, with an initial £10m available, which can be scaled if required based on demand. Welsh Government and the bank will also continually review the proposition including potential to apply match funding via a small intervention grant. We will be using evidence to assess this position.

“Given the enthusiasm with which business representative bodies have told us such funding will be received, how will the Welsh Government ensure that businesses in greatest need benefit from this funding?”

The Bank has modelled the fund on anticipated demand based on enquiry and business data available which it will continue to monitor and assess to ensure it is able to support the best applications. Applicants will be assessed against set criteria, and we stand ready to expand or amend the scheme as required based on demand presented.

“How will you promote this funding to ensure that as many businesses as possible are aware of it ahead of the launch?”

Welsh Government and the Development Bank of Wales will jointly promote the forthcoming scheme via both its marketing and public relations channels including website, helpline, social media and news articles.

“Given the challenges that these sectors face, we would be grateful if you would outline how you envisage the support provided by the Welsh Government will assist them, and what support you think these sectors will need from April 2023.”

The Welsh Government’s approach to supporting businesses with the rising cost of living is focused on the longer-term measures to help businesses find ways to reduce costs and be more energy efficient. The main levers to help businesses through this energy crisis, access to borrowing, taxation of windfall profits, regulation of the energy market, lie squarely with the UK Government. Our priority is to support businesses of all sizes to decarbonise as quickly and as fairly as possible.

Giving evidence to the Welsh Government on the 7 December 2022, business rates were mentioned as the “no. 1 issue” facing firms by the Wales Retail Consortium (WRC) and the Confederation of British Industry (CBI) Wales. However, results in the latest Office for National Statistics (ONS) business insights survey (12 January 2023) in response to questions about businesses’ main concerns, Welsh businesses responded indicating energy prices and inflation were far more prevalent concerns.

To respond to these concerns the Welsh Government has recently announced continued support for businesses through business rates relief. We are aware however that business rates relief can have the unintended consequence of increasing property value, so it is important that wider business support focuses on assisting businesses to be more resilient longer term. We have therefore developed measures to support businesses to adopt green technology and to transition towards carbon neutrality, with the aim of businesses being making costs saving through energy efficient and reducing dependency on price-volatile and costly carbon fuels.

The Welsh Government is providing support to business through several initiatives including those delivered by Business Wales, who provide a range of general business advice, information and signposting as well as specialist strands of advice such as contingency planning and resource efficiency to support businesses in addition to broadband exploitation and access to the Skills Gateway and Farming Connect.

Business Wales offers a wide range of advice and support on green policies, practices and resource efficiency as well as workshops. One-to-one advice includes energy efficiency, waste management, pollution prevention, legal issues and permits, environmental management systems and sources of funding. A new zone has been developed for the Business Wales website to bring together

existing content and tools available to support businesses to reduce their use of resources and costs. This zone will act as the focal point for any future advice and support for businesses.

The Development Bank of Wales (DBW) will introduce a new product in Spring 2023 which will provide Green Business loans. The Bank intends to operate this Fund with a competitive or low interest rate. Whilst the rate of interest of the loans will be a matter for DBW to determine, they will continue to operate on commercial terms but recognising the need to achieve a balance of social and financial outcomes. In terms of flexible finance, DBW will be looking closely at potential repayment holidays at the beginning of the loan and ensuring that they offer patient capital with aligns the investment with the payback period. DBW will continue to work across Welsh Government to identify opportunities for delivery where they can bring value and solutions to policy and delivery ambitions.

The UK Government has recently announced the Energy Bills Discount Scheme (EBDS) will replace the Energy Bill Relief Scheme (EBRS) from 1 April 2023 and will run to 31 March 2024. While we welcome the fact the new scheme takes a universal approach, and includes charities and the public sector organisations, the Welsh Government is concerned that the new EBDS is less generous than previous energy support, being a discount per unit of energy rather than fixing the price of energy at a target price per unit. Supporting these concerns, it was disappointing there are no new incentives for business to invest in energy efficiency measures.

Although businesses may welcome this support, it is vital that Government provides confidence and certainty over the longer term. The ONS business investment results demonstrate that business uncertainty constrains business investment. The Welsh Government recognises the damaging effect of uncertainty and working to address this by providing a suite of business support measures to provide stability, supported by predictability in our policies.

The Welsh Government has a long-term strategic vision for the food and drink industry focussed on a broad basket of success measures. Amongst the practical actions we are taking to deliver this is a Trade Development Programme which provides comprehensive support to food manufacturers and processors to establish and grow sales in the food retail and service sectors. We invest in comprehensive market insight to help businesses understand their trading environment, the routes to market and, crucially, how trends in the market might develop. We also provide technical support to improve efficiency and to develop new products through Food Innovation Wales.

We recognise the consumer is eating out less in response to the ongoing rise in the cost of living. Where we can our programmes support food service and hospitality providers to innovate and take action to attract consumers back into these settings, however we accept this is very challenging in the current financial climate.

Separate to the action being taken to support the food sector specifically, we plan to launch a Retail Delivery Plan soon, which will focus on the wider retail sector in Wales and communicate actions the Welsh Government and Retail Forum partners will take in coming years to move towards achieving the retail vision and alignment to the wider economic mission.

3. Capital investment

“In light of the evidence received, we would be grateful to receive an outline of:

- the policy levers the Welsh Government plans to use to support business investment during the current economic challenges, to support greater productivity and growth
- how you intend to work with businesses to de-risk investment”

As outlined in my previous answer, the Welsh Government will continue to utilise established provisions to support the Welsh economy such as those delivered by Business Wales and financial support available via the Development Bank of Wales.

The Business Wales website has a business finance zone offering specialised guidance and information to help people identify appropriate finance as well as a finance locator <https://businesswales.gov.wales/businessfinance/>

The Development Bank of Wales (DBW) helps Welsh businesses get the finance they need to start, strengthen, and grow and provides loans from £1k to £10m from a range of funds which support decarbonisation activities. They also help businesses find the right finance partner to leverage in private finance with its own gap finance when necessary.

The Welsh Government is committed to reviewing its economic policies to ensure we are delivering appropriate assistance making best use of the resources available and the ever-changing economic climate. EU funding previously available to the Welsh Government provided greater flexibility for the Welsh Government to deliver targeted support and long-term strategic projects. The UK Government's use of financial assistance powers to spend directly in Wales through the Shared Prosperity Fund (SPF) and under its levelling up agenda is directly resulting in spending decisions on economic support being made by the UK Government not by Welsh Ministers who have been democratically elected to serve people in Wales.

The UK Government has not honoured its manifesto promise to match the size of EU funds for Wales. Replacement funds via the SPF represents a shortfall to Wales of £1.1 billion by 2025 and the Welsh Government has been denied any access to the Fund to support our pan-Wales programmes. The funding loss has been exacerbated by the one-year cycles of the SPF which mean that long-term strategic projects are no longer possible. Instead, the Fund will support small, short-term projects with significantly less economic value and legacy.

Analysis by the National Audit Office and independent evaluations of the Objective 1 era stress that investment will achieve greater outcomes through

fewer large-scale, national strategic projects rather than through small-scale, localised projects.

UK and Welsh Government can work together well, Freeports is a good example of to co-design a model that respects our devolution settlement. It is vital the UK Government replicates this approach in the delivery of post-EU funds and other UK funds using the Internal Market Act.

Considering the economic crisis and the hole in the public finances, consideration needs to be given to the future direction of the SPF, including the Multiply scheme, in order to achieve better economic outcomes. In Wales, EU funds previously supported critical pan-Wales programmes which are essential for productivity and growth such as Business Wales, apprenticeships, the Development Bank and our innovation programmes; yet under SPF arrangements the Welsh Government is being denied access to support these critical schemes.

4. Scottish Emergency Budget Review

“To inform our ongoing work, we would be grateful to receive an outline of:

- the extent to which independent economic experts such as the Economic Ministerial Advisory Board have informed the Welsh Government’s policy development in supporting businesses with rising costs
- the consideration given by the Welsh Government to taking a similar approach to the Scottish Government.”

The Ministerial Advisory Board (MAB) for the Economy was established to provide timely, relevant and expert external advice on specific economy-related matters, by identifying both current and future economic challenges and opportunities to develop Wales’ economy and help it to thrive. It has members with a wide range of expertise, ranging from economists to academics and those professions that play key roles in the economy and its interaction with social fabric of Wales. We are keen that young people are represented on the board, as this is their economy, and we are pleased that we have 2 members under the age of 23 when they were appointed.

Along with formulating advice and presenting it to Ministers, Board members have, in the last 12 months, discussed key policy ideas and acted as a sounding board for future policy development, testing the Economic Mission and the longer-term demographic challenges of Wales and the UK. They have offered robust challenge and testing our key policies where appropriate.

Alongside the MAB, we advocate for close relationships with industry stakeholders and regularly meet with a wide range of industry leaders and Trade Unions who represent business interests and employees.

The Welsh Government has noted the Scottish Government’s approach used in developing their emergency budget review work. Be assured that the Welsh Government values the input from its industry partners and stakeholders and utilises open channels of communication we have with industry leaders to seek feedback on its policies as appropriate. The CBI is one of many industry groups that views would be sought when the Welsh Government initiates similar measures.

5. Cost of living and Young Person's Guarantee

"In light of the evidence we have gathered, and to inform our future work in this area, we would be grateful if you could provide an outline of:

- any changes the Welsh Government envisages having to make to ensure that programmes under the Young Person's Guarantee such as Jobs Growth Wales+ are a viable option for those on the edge of poverty;
- your assessment of the sufficiency of training support, and the potential impact of that on participation in employability and training schemes."

We continue to review our programmes in the context of the cost-of-living crisis.

Most notably, we have adapted Jobs Growth Wales Plus (JGW+) via seven interventions aimed at reducing the challenges young people face in accessing and maintaining on the programme. These interventions range from funding enrichment activities in order to improve programme uptake, through to funding a free meal per day of on-site attendance for each young person on the programme. For those who need it, additional financial and personal support is also available.

We hope to announce further increases in support related to JGW+ before the end of January.

Elsewhere, our Community Employability Programmes offer holistic support to individuals, which includes, as required, referrals to housing and debt advice and to local foodbanks. Delivery teams also promote the financial support available from Welsh and UK Governments to tackle the cost-of-living crisis. Individuals being supported through the programmes are also able to draw on direct financial support for barriers such as travel and subsistence costs whilst undertaking training, attending work experience or interviews. Similarly childcare costs can be funded whilst individuals are undertaking training and essential start-up costs for those entering self-employment are also funded.

In a year since the launch of the Young Person's Guarantee (YPG) we have seen over 20,000 interventions delivered via our employability services alone, with over 11,000 young people starting on our employability programmes.

During the latest figures (July to September 2022), of the JGW+ programmes that ended, 62% of leavers had a positive outcome based on their destination within four weeks of completing the programme. This includes those moving to a job receiving a salary paid at least at National Minimum Wage.

Communities for Work Plus (CFW+) has seen additional mentoring capacity to support people furthest away from the labour market to access training

opportunities and employment. Over 2,700 young people have been supported by it since the launch of the YPG, with over 1,300 progressing into employment so far.

By April 2022, there had already been 18,675 all-age apprenticeship starts since the start of this Senedd's term. We are continuing to provide significant investment in our flagship apprenticeship programme - working against a backdrop of significant economic challenge and uncertainty, exacerbated by the upcoming loss of EU funding.

When it comes to apprenticeships, we will not sacrifice quality for quantity, continuing higher level/degree level and inclusive apprenticeships on our frameworks - monitoring completion accordingly.

"In light of the evidence we have gathered, and to inform our future scrutiny of this policy area, we would be grateful if you could indicate:

- how are you ensuring that the Young Person's Guarantee addresses the different needs of young people in Wales, including those that arise from regional differences or for those with complex disadvantages.
- what, if any, changes you are considering to ensure support reaches those who need it most, and when those changes would be implemented."

We have already acted decisively on ways to improve how we identify those young people who might need additional support the most.

The refreshed Youth Engagement and Progression Framework will play a key part in the early identification of potential NEETs in school and up to the age of 18.

It is built around understanding their needs, putting appropriate support or provision in place and monitoring their progression. The Framework also aligns with our commitment to prevent youth homelessness and address mental health issues and seeks to ensure young people are identified and supported before they reach a crisis point.

It is flexible for regional differences with local authorities providing the strategic and operational leadership for implementing the Framework, while local partnerships have a critical role in supporting its delivery.

As indicated, CfW+ is delivered by Local Authorities and whilst it is primarily focussed on those facing most disadvantage in the labour market, the Authorities have scope to tailor provision to meet differing local needs.

We have also commissioned the Regional Skills Partnerships (RSPs) to support the Young Persons Guarantee and commence engagement activity to shape the Guarantee's provision within their areas. RSPs have been asked to consult with programmes and projects in order to understand the offer available within their

regions. This will enable Working Wales advisors, Job Centre Plus advisors and youth workers to signpost people to provision within their local area.

For those with complex disadvantages, Working Wales are required to monitor all referrals by age, gender, ethnicity and disability status, including data and analysis from referral agencies and benchmarking participation rates against local and national averages; and taking positive action to improve participation and attainment by under-represented groups.

Programmes such as JGW+ include stipulations that Contractors must take positive action to tackle difficulties experienced by under-represented groups and are monitored regularly.

We have also employed a network of Disabled People's Employment Champions, supported by Business Wales Disabled People's Employment Advisors, to provide advice, information, and support stakeholders across Wales.

The ReAct+ programme can award a Personal Development Support (PDS) grant of up to £500, alongside the vocational training grant. The aim of PDS is to address barriers to employment which are not skills-related (these are addressed via the vocational training grant). The Working Wales adviser will consider any additional barriers when conducting the advice and guidance interview.

In addition, we have already expanded the ReAct+ cohort to include young people aged 18-24 and who are NEET. The employer recruitment incentive has an 'uplift' of £1,000 which is awarded to employers who recruit a young person aged 18-24 or a person who considers themselves to be disabled. The 'uplift' increases to £2,000 if the new recruit is aged 18-24 and considers themselves to be disabled.

It should also be noted that there is an estimated annual £50m loss of European Social Fund (ESF) funding for employability programmes.

We are already seeing increases in referrals of young people to CfW+ as regional ESF programmes supporting young people (and indeed those of all ages) finish. Shared Prosperity Fund provision is far from ready to step in and will not be of sufficient magnitude to fully replace the lost EU funds.

"We would be grateful if you could clarify:

- the outcomes of your conversations with the Deputy Minister for Mental Health in this regard;
- how you plan to implement tangible change for young people who need mental health or well-being support to maintain their employment or training."

The Deputy Minister for Mental Health and Wellbeing is a co-lead on the aforementioned refreshed Youth Engagement and Progression Framework,

alongside myself, the Minister for Education and Welsh Language and Minister for Climate Change.

The Welsh Government currently provides funding to Local Authorities via the Youth Support Grant, which supports the delivery of the Framework. YSG funding has been confirmed between 2022 to 2023 and 2024 to 2025 and includes, £2.5 million per annum to support emotional mental health and well-being through youth work activities.

We also now have Health-led employment support to support health-related employment barriers, this includes the Out of Work Peer Mentoring Service which is unique to the UK. It provides peer mentoring and employability support to people who are in recovery from substance misuse and/or mental ill-health. Employers can benefit from three months of advice and support from peer mentors if they employ someone referred by the service.

Building on the successful Healthy Working Wales programme and broader linkages with Public Health Wales, we are also working with Healthy Working Wales on information sheets and other advice for employers to help support young people's wellbeing in the workplace. We are also working with them on supporting our National Conversation focus group discussions.

The Youth Engagement and Progression Framework is key in terms of early intervention and signposting. It is built around the early identification of young people aged 11 to 18 who are at risk of becoming not in education, employment or training (NEET) or homeless, understanding their needs, putting appropriate support and/or provision in place and monitoring their progression.

The Framework enables lead workers to support young people's mental health, by harnessing emotional and mental well-being services and resources as well as a range of mentoring and one to one support.

All our employability and training programmes also offer forms of support and signposting in relation to health and well-being matters. For some programmes, such as JGW+, this includes enrichment activities such as team building, mental health and well-being resilience, physical activities and fun activities such as outdoor pursuits and problem solving.

Furthermore, our Feed Your Positivity Campaign aims to provide young people with positive messages and support to enable them to begin or change their story. The campaign was a response to the impact of COVID-19 and has been designed to counter the negativity about job prospects and challenges to mental health that young people are exposed to.

"We would be grateful if you could outline:

- how you are evaluating the performance of the Working Wales service, including what feedback you have heard about how effectively it is

signposting young people to the full range of programmes available as part of the Young Person's Guarantee;

- your assessment of how effectively schools, careers advice and further education and training providers are working together to help learners understand the full range of options after compulsory education, and whether there are any areas in which this relationship could be improved;
- further details on the steps the Welsh Government is taking to build early intervention into the Young Person's Guarantee."

The Working Wales service now provides a single, simple route to support coupled with professional independent careers advice. As the independent careers advice and guidance service it is ideally placed to anchor the YPG into a range of different programmes and communities across Wales.

Working Wales also oversees various performance reports on the YPG. Working Wales sits within the Careers Wales organisation and has a Working Wales micro-website that contains links that move customers smoothly between both sites depending on their needs or their purpose in visiting the site.

Almost 11,000 young people have engaged with Working Wales since the YPG started. For those engaging through Working Wales we know that employment is the most common destination, followed by training then education.

Wavehill in partnership with the Learning & Work Institute were commissioned in 2019 to carry out an on-going evaluation exploring the effectiveness, efficiency and impact of Working Wales. The evaluation is scheduled to run until September 2023.

Report 1 has been published on the Welsh Government website covering:

- A theory of change for the programme.
- Analysis of programme management information.
- A review of the impact of COVID-19 on the service.
- Ten case studies of Working Wales participants.

Two key priority areas have been identified for further exploration as part of the next phase of the Working Wales evaluation, this includes a focus on:

The support being provided to refugees and migrants; and

The delivery structure (including considerations around provision in FE, comparisons between rural and urban delivery, and marketing).

The COVID-19 pandemic not only severely impacted the progression of young people but also the ability of partners to work together to provide advice and promote the range of options available to young people.

In October 2002 the Welsh Government sponsored the Skills Cymru event - the first since the pandemic – giving young people the chance to meet local and national employers and high-quality education providers face-to-face to gain expert career advice and plan their careers. This year, saw over 5,000 young people and 45 exhibitors, making it the largest in-person free careers, training and apprenticeship event in Wales.

We also continue to roll out in schools our 'Have a Go' kits initiative that use fun and interactive experiences to encourage primary and secondary school children, as well as college students to learn more about vocational careers and apprenticeships. Have a Go kits provide learners with a real and engaging insight into some of the most popular and exciting career options. Experiences are available across five industry sectors, ranging from media to construction, engineering, hospitality and health care.

One of the areas where we identified a need for improved join-up and representation was our Employment Bureaus programme. In October 2022, backed by £2.36m, we launched enhanced Employment and Enterprise Bureaus to help young people prepare for the world of work. The bureaus are delivered by the colleges and work with key partners, such as employers, regional skills partnerships, Careers Wales and Working Wales.

They will create opportunities for learners to engage with local, regional and national employers; present varied routes into employment via programmes such as JGW+, apprenticeships and Big Ideas Wales; provide one-to-one advice and guidance; and encourage aspirations for entrepreneurship amongst learners through an entrepreneurship champion in each institution.

Careers Wales continues to have a key role in promoting the range of options available, particularly in schools where it provides one to one interviews, group sessions and employer interactions, amongst other things.

All key partners sit on the YPG Stakeholder Advisory Group and meet regularly to discuss new developments, potential issues, improvements and best practice.

As noted in previous responses, the refreshed Youth Engagement and Progression Framework is key in terms of early intervention and signposting.

It focuses on considering attendance, behaviour, and attainment indicators. Early identification data is then used at termly at multi-agency meetings, with a network of lead workers such as Local Authority Engagement and Progression Co-ordinators (EPCs), Youth Workers, Families First staff, Working Wales staff - all of whom work with young people on a daily basis encouraging them to re-engage.

The Welsh Government currently provides funding to local authorities via the Youth Support Grant, which supports the delivery of the Framework. YSG funding has been confirmed between 2022 to 2023 and 2024 to 2025 and includes, per annum:

- £3.8 million for activities relating to youth work, including a minimum of £1.1 million to be spent on activities relating to the Framework
- £3.7 million for the prevention of youth homelessness, including funding for a youth homelessness co-ordinator in each local authority
- £2.5 million to support emotional mental health and well-being through youth work activities

Paul Davies MS,

Chair of the Economy, Trade and Rural Affairs Committee

Senedd Cymru/Welsh Parliament

0300 200 7298 

@Peterfox_ms 

@PeterFox61 

Peter Fox MS 

Date: 26th January 2023

Annwyl Paul,

Re:- Recent scrutiny session of the Food (Wales) Bill

I am writing to you following my recent appearance before the Economy, Trade and Rural Affairs Committee regarding my Food (Wales) Bill.

I would like to thank both yourself and the Committee for inviting me to the scrutiny session, and for the constructive approach that was taken by all Members. The comments that were made about the Bill were very helpful, and will assist myself and my team in improving the Bill as it moves through the Senedd's legislative process.

Of course, I am still of the firm belief that the Food (Wales) Bill will play an important part in delivering a more effective governance of the entire food system in Wales.

Both the Explanatory Memorandum and stakeholders that I have consulted with throughout this process – some of which the Committee have already spoken to in its scrutiny sessions so far – have made it clear that the Welsh food system as it stands does not provide for a joined-up approach to food-related policy, and that there is a general lack of scrutiny around the Welsh Government's current strategies.

Whilst I appreciate suggestions that existing legislative frameworks may offer an alternative to a standalone Bill, I believe that bolting-on separate policy areas onto current or developing legislation risks watering-down the aims of this proposed Bill. The importance of the food system to the well-being, health and prosperity of our communities cannot be overstated, and it is fundamental that we properly consider how we establish a stronger statutory basis in which the food system can operate effectively within, helping us to meet our wider aims.

As I have mentioned throughout the Bill process, I believe that the development of legislation should be approached in an open, collaborative way. By working together as a Senedd and in close collaboration with external stakeholders, we can ensure that policy that is derived from legislation is as effective as possible.

It is in this spirit that I would like to offer continued engagement with the Committee about the Food (Wales) Bill, and in particular any issues that you feel should be addressed during the remaining legislative stages. I look forward to considering any amendments to the Bill that the Committee considers appropriate.

If you require any more information to assist with your scrutiny then please do not hesitate to write to me.

Cofion Cynnes,



Peter Fox MS for Monmouth

Member-in-Charge, Food (Wales) Bill

Peter Fox MS
Member in Charge, Food (Wales) Bill

8 February 2023

Dear Peter,

Food (Wales) Bill

Thank you for your letter following your attendance at our Committee meeting on 25 January. I appreciate your open, collaborative approach to legislation development and offer of continued engagement with the Committee. We will add your letter to the agenda for our meeting on 16 February as a paper to note.

You will be aware we have already invited you to attend a second meeting of the Committee on 1 March. At this session we will discuss issues raised by stakeholders and the Minister as part of our Inquiry into the Food (Wales) Bill. In the meantime, we would like to thank you for your offer of further assistance and will contact you if anything urgent arises.

Yours sincerely



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.

Agenda Item 2.3

Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution



Llywodraeth Cymru
Welsh Government

Huw Irranca-Davies MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru
SeneddLJC@Senedd.Wales

19 January 2023

Dear Huw,

Thank you for your letter of 14 December seeking responses to questions following my appearance on 5 December in relation to the Retained EU Law (Revocation and Reform) Bill. We are grateful to the Committee for its dedicated work to consider the implications of this Bill.

The responses to your questions are set out in an Annex to this letter. However, to contextualise these correctly, I would like to make two important and fundamental observations that the Committee might wish to consider in its work on the Bill.

Firstly, the Welsh Government fundamentally opposes the whole intent of the Bill. In general, our position is that retained EU law, like EU law before it, works well. Consequently, beyond gradually amending the law as appropriate with evidence-gathering, public consultation, and legislative scrutiny in the normal way, over time as with any body of law, we had no intention to repeal, revoke or amend REUL to an arbitrary deadline on ideological grounds. However, simply to propose legislation such as this that, by default, would repeal essential economic, social and environmental protections is unacceptable and irresponsible. This is especially true because of the use of valuable time by governments and legislatures when a good deal of this work will be merely to maintain in law those essential provisions that the Bill would otherwise automatically remove. This nugatory work has no demonstrable benefit to anyone and is a regrettable use of finite resource in both the Welsh

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Government and the UK Government, caused by the decisions made by UK Government Ministers.

Secondly, the Bill is essentially an enabling Bill and its full implications will be influenced by policy choices of UK Government Ministers about which pieces of legislation should be retained, amended, or left to sunset. Unless and until that detailed information is provided, we are all working in a very uncertain situation, with the obvious attendant difficulties that that causes both for the Welsh Government, and for your Committee in a scrutiny role. I hope we can continue to engage collaboratively in dealing with this Bill in these regrettable circumstances, recognising our distinctive institutional roles but also common interests in relation to the integrity of the devolution settlement.

Yours sincerely,

A handwritten signature in blue ink, reading "Mick Antoniw". The signature is written in a cursive style with a horizontal line underneath the name.

Mick Antoniw AS/MS

Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution

ANNEX

Wales-made REUL

- 1. You told us that the Welsh Government's focus "has got to be firstly to ensure that we analyse and retain our own EU retained law, that we focus on that law that's been made within Wales" (RoP, 242). Has that analysis been completed? If not, what is your target date for its completion?**

We are working to have a settled list of this REUL as soon as we are able to do so. This is a complex task and we will be happy to update your Committee on progress.

Reviewing REUL

- 2. You and your officials said that Welsh Government policy teams are working closely with their Whitehall counterparts to analyse spreadsheets of data prepared by those Whitehall departments "to see whether [you] agree with that analysis" (RoP, 242 to 254). What is the target date for the completion of that work?**

While we have received some information from the UK Government this is not comprehensive. We are continuing to receive this in something of a piecemeal fashion but are considering and assessing it as we receive it. We hope to have a more complete picture in the near future so that we can conduct a proper assessment of it.

Welsh Government's approach

- 3. Has the Welsh Government had any reassurance from the UK Government that it will not change or remove devolved REUL without the consent of the Welsh Government? If so, does the UK Government intend to amend the Bill to reflect this commitment?**

We remain in dialogue with the UK Government on this issue, but still await the necessary reassurance.

- 4. You told us that "if you don't take measures to be able to identify and understand what it is you want to retain, then everything else is going to go." (RoP, 295). You also told us that you have not yet decided on your approach to retaining REUL but that you want to "make sure that [the Welsh Government] focus on those areas that are most important to us".**

- a. Can you therefore confirm that you do not intend to save all REUL in devolved areas?
- b. On what basis will you decide which areas are most important to the Welsh Government?
- c. Can you tell us which areas these are, or if not, when you will be able to tell us?
- d. What are the risks to the areas deemed not important or less important and how have they been determined?

- e. How will you mitigate and manage the risks associated with this, particularly if you are not carrying out your own impact assessment (RoP, 256)?**

It is not our intention to allow REUL in devolved areas to come to an end, unless there are very good reasons for this to take place. However, as a matter of good governance, our final position on specific instruments will need to take into account what the UK Government decides in relation to existing REUL for England; or in relation to existing REUL on reserved matters that impacts on devolved matters in Wales. Where the UK Government wishes to review any piece of REUL that impacts on a devolved matter, we would expect the UK Government to work collaboratively and pro-actively with us on this.

Further to this our ambition is to retain all REUL pertaining to Wales, subject to the caveat above.

- 5. You told us that you may adopt a “triage approach”, where you try to “identify those that are most obviously relating to devolved issues that may be the most important issues, rather than technical issues, so that we make sure we focus on those areas that are most important to us” (RoP, 277). What do you mean by “technical issues”?**

We await a mature and comprehensive list of REUL, and statements of policy intent regarding REUL instruments, from the UK Government. Given the complexity of the interrelationships between and within REUL across the UK, knowledge of the detail of the UK Government’s intentions will help to inform our analysis of the pieces of REUL that could be retained without creating complexities (and so require a technical piece of work to preserve them but no more), and those which require a more substantive consideration of whether we should retain them and how, for example because the UK Government is proposing to repeal or amend them in relation to England or in relation to reserved matters that impact on devolved matters in Wales.

- 6. You told us that you think the Bill has created a great deal of uncertainty for the Welsh Government. However, stakeholders have accused you of ‘fuelling’ / exacerbating this by not clearly setting out your approach. To what extent could the Welsh Government reduce this uncertainty?**

- 7. What will the Welsh Government do to reassure stakeholders of its overall strategy in relation to REUL and about the steps it is taking to address their concerns?**

Regarding Questions 6 and 7, as set out in the covering letter, the Bill is a UK Government initiative with which we do not agree. It is its commitment to the Bill, without clarity on what will happen to each piece of legislation, which is creating the uncertainty. Our ability to mitigate that for stakeholders in Wales is very limited until we have that clarity from the UK Government. We plan to engage with both the Senedd, and with stakeholders, on this work.

- 8. You told us “We will want to retain law and not see any diminution of standards. So, we will want to ensure that we retain those standards out of**

this.” (RoP, 277) How will you maintain or improve standards if they are weakened or reduced under the Bill, either by omission or by action taken by the UK Government?

The Welsh Government’s position is clear as above at Question 4: We have no desire or intention to repeal, or allow to end through the Bill, any REUL that applies to Wales and is within devolved competence, unless there are very good reasons for this to take place. However, as outlined above, the issue of cross-border divergence means that we will want to take into account the UK Government's position and intentions when making our decisions regarding the implications for Wales in certain policy areas of taking particular approaches.

Saving REUL

9. You said “The complexity comes in knowing the scale of what we're going to do. If, for example, in a whole large area of these 3,800-plus pieces of legislation, the UK Government equally decides that what they should do is retain a large number of them, then that actually solves part of that problem. It solves part of that problem and it makes it a lot easier to manage those areas that have not been retained.”

a. This suggests to us that the Welsh Government will defer decision-making and action to the UK Government to make regulations. Is this correct? Do you have concerns for what this approach means for Wales, including the Senedd?

Our preference is to maintain all REUL that applies to Wales, unless there are very good reasons not do this. Broadly, if the UK Government maintains a piece of REUL for England, then we will very likely do the same in relation to devolved matters in Wales. The mechanics by which this would be achieved will also need to be considered.

b. Will the Welsh Government wait to see what the UK Government saves and subsequently decide what it may need to save itself?

As stated in answer to a. above, our preference is to maintain all REUL that applies to Wales, unless there are very good reasons not do this. However, if the UK Government decides to change REUL on the English side of the border, there are complex policy decisions to be made. Each of these areas of change to the status quo initiated by the UK Government would require a proper assessment of the economic, social and environmental implications and risks for Wales. Similar considerations will need to be made in relation to proposed UK Government changes to reserved legislation that impacts on devolved matters in Wales.

Amendments

10. In addition to the single amendment to the Bill we know you have requested (in relation to the Welsh Ministers having the ability to extend the sunset date up to 23 June 2026), you said that you would be “encouraging changes to be made that give us the guarantees that we have sought” and you specifically

mentioned concurrent powers in the Bill and the powers of the law officers in devolved Governments (RoP, 285). You also said that the Welsh Government would “do the normal things in terms of briefings, in terms of discussions, in terms of engagement with the UK Government and interested parties, who will all make their own representations” (RoP, 289).

- a. What specific changes to the Bill are you seeking?
- b. Can you confirm that you have made formal requests to the UK Government and, if not, when will you do so?
- c. Why are your suggested changes not detailed in your LCM, which only lists one amendment put forward, for consideration by this Committee and wider Senedd?
- d. You said that we can expect the Welsh Government to put forward further amendments and that you have set these out. When will the Senedd have the opportunity to scrutinise these?
- e. You mention that an option available to the Welsh Government is to rely on others to bring forward amendments which reflect your position rather than acting collaboratively. Could you provide more information on this and confirm who the “others” might be?

We have engaged with the UK Government over several months on the concerns that we have with the Bill. As set out in the Legislative Consent Memorandum, these include not only who can exercise the power to extend the sunseting deadline but also the issue of consent for the exercise of concurrent powers by UK Government Ministers in devolved areas, the sunseting deadline itself, the regulatory burden and the intervention and reference powers exercisable by the Law Officers within the UK. We have sought changes to the Bill on all these matters. We have raised these concerns in correspondence with the lead UK Ministers for the Bill, in Ministerial meetings and in my written response to the Public Bill Committee on the Bill, with the objective of having them addressed through amendments.

While we have hoped for progress and for common sense to prevail, UK Government Ministers have yet to give us reassurance that they are willing to make changes to the Bill to address our concerns.

Alongside seeking to secure changes to the Bill from UKG, the Bill was among those topics discussed with members of the House of Lords last week.

11. Under clause 15 of the Bill, Ministers will be prevented from increasing the regulatory burden when revoking or replacing REUL. You described this as a “constraint that is totally unacceptable” (RoP, 269). Why have you not, therefore, requested an amendment to remove this constraint from the Bill?

Please see the answer to question 10 above.

12. You have previously commented on the enormous powers that will be given to Ministers via this Bill. You told us that these are “powers that, in normal circumstances, you would not wish to give to governments”. You also said “it’s not a question of whether we want them; we will probably have no choice because if we want to do anything about retaining legislation that maintains

standards and so on, things that we agree with them in devolved areas, then we're going to have to exercise them” (RoP, 291). Have you requested that the Bill be amended to uplift the scrutiny procedures attached to the powers if and when they are exercised by the Welsh Ministers?

As noted above, we have strongly expressed our concerns about the Bill to the UK Government. However, if passed as drafted we will have to exercise the powers conferred on the Welsh Ministers in order to make decisions about REUL in devolved areas, where possible, as part of our work to defend the devolution settlement. However, the Legislative Consent Memorandum sets out our concerns that the sunset provision will mean that parliament and the devolved legislatures will have no scrutiny or oversight role where REUL is allowed to sunset automatically and will likely not provide sufficient time for effective consultation on proposed modifications to REUL, which could result in unidentified issues and potential negative impacts, for example on protected groups.

Divergence and disputes

13. Have you identified any areas where you have policy intentions which diverge from those of the other governments of the UK?

Since the detailed and comprehensive policy intentions of the UK Government in any given area are either not yet clear or are just emerging, it is not possible to give a definitive answer to this at this stage.

14. When we asked you how disputes could be resolved you told us that the new inter-governmental process that has been established “is probably not going to be particularly ideal process” and “It may be that you can create something specifically to try and resolve those disagreements” (RoP, 279).

- a. **Can you clarify why the recently created structures for intergovernmental dispute resolution would not be the appropriate structures to use to resolve any disputes in this area?**
- b. **Can you confirm that, where relevant, disputes would go through the relevant common framework process in the first instance?**
- c. **Given the need for timely action because of the 31 December 2023 sunset date, how realistic is it that a new dispute resolution process could be created?**

We will always reserve the right to escalate issues within the Dispute Avoidance and Resolution procedure agreed following the joint Review of Intergovernmental Relations (IGRR), wherever it becomes appropriate to do so. The resolution process in the IGRR should be seen as part of a much wider system of active IGR, and as a process of last resort. This is embedded into the machinery it sets up – it is agreed that machinery should “promote dispute avoidance by ensuring there are effective communication and governance structures at all levels, from working-level officials to ministers”. As you will know, the Dispute Avoidance arrangements are without prejudice to the legal provisions within the devolution settlements which govern matters relating to legislative competence. We would always need to consider the

appropriate forum to which to take our concerns, particularly where there is a dispute as to whose competence a piece of legislation is within.

Common Frameworks will play some part in elements of dispute resolution related to REUL, though the timescale available to undertake this work will massively impact the ability to engage fully in this process, along with the fact that not all areas of REUL are covered by a Common Framework.

The current sunseting deadline means it is unrealistic that a suitable dispute resolution process could be created in time to service the process appropriately. This is the responsibility of the UK Government, not the Welsh Government.

Capacity and resource

15. The First Minister told the Scrutiny of the First Minister Committee on 9 December that, as the Welsh Government has no spare capacity, “diverted capacity” will be needed away from its legislative programme to work on the Bill. Given the First Minister's comments, when will decisions be taken about when and where resources will be diverted, and will you commit to updating the Senedd as soon as decisions are made?

16. You told us that the Welsh Government wants to deliver its legislative programme but there was uncertainty around the demands the Bill will place on resources. Are you coordinating Cabinet discussions regarding your concerns about delivery of the legislative programme?

Regarding Questions 15 and 16, for the reasons set out above, it is not possible to assess fully the scale of the impact on the legislative programme until we know the detail of the UK Government's plans for REUL as it applies in England, particularly the extent to which it intends to amend this body of law.

Discussions on this matter will continue between Ministers as the situation develops as will our liaison with the Senedd on the legislative programme.

Impact and role of the Senedd

17. You also said “I think one thing is clear: it makes the sort of detailed scrutiny and the timescale for that scrutiny incredibly difficult” and “we have to look at how that will work”. You told us that there is “going to be a need for very close co-operation between the Government and the Senedd in terms of an understanding as to precisely what is required, what is happening and how we best manage that. It's not just an issue for the Welsh Government; obviously, it's an issue for the Senedd itself, in terms of how it scrutinises and assesses those steps as well” (RoP, 307).

- a. How will the Welsh Government maximise the scrutiny opportunities afforded to the Senedd?**
- b. How will the Welsh Government involve the Senedd in determining what is required as a consequence of the Bill?**

In general, it is premature to answer this question with complete precision as we are again seeking comprehensive information from the UK Government about its decisions.

I would expect the Senedd to have the opportunity, in the normal way, to scrutinise any proposals regarding REUL. We will engage with the Senedd on this.

The task of determining what is required is difficult to quantify, or to identify precisely. I would expect Ministers to keep the Senedd informed by way of Ministerial Statements once the task is clearer.

18. You did not confirm to us that you are liaising with the Llywydd and the Business Committee regarding the potential impact on the Senedd's timetable. Could you confirm that discussions are taking place? If not, is the Welsh Government waiting on clarity from the UK Government before doing so?

We will certainly be in contact with the Llywydd and Business Committee regarding the Senedd's timetable once we have sufficient information from the UK Government to be able to have meaningful discussions about the potential implications.

Regulatory landscape

19. Would the Bill introduce a regulatory ceiling?

The power within clause 15 of the Bill to revoke or replace includes a requirement that any changes to, or replacement for, a piece of REUL, cannot "increase the regulatory burden". However, the precise meaning of this in the context of the Bill is not clear, though the Bill appears to have been drafted so as to mean that what could be considered a regulatory burden can be interpreted very widely. Moreover, the UK Government has made no particular policy statement on the meaning of this provision.

However, the nature of the Bill, and potential UK Government changes to REUL, may arguably increase the regulatory burden for some businesses, at least in the short term, as they adjust to new standards, even if they are lower.

20. How could the Bill impact the Welsh Government's policy and ability to improve standards, where possible, post-Brexit?

The Bill fundamentally fails to appreciate how the principles of devolution need to be applied in the field of regulatory policy in the UK, now that it has left the EU. There are also concerns that the effects of the UK Internal Market Act will have further impacts should regulatory divergence occur (for example through the UK Government amending or repealing REUL for England). This could have significant implications for the ability to maintain and improve standards, in effect, in REUL in Wales.

21. The UK Government has stated that environmental protections will not be weakened and that the devolved nations can preserve legislation within

competence. Which environmental protections will the Welsh Government preserve?

The Welsh Government has no intention to weaken existing environmental protections, the majority of which are derived from REUL. We intend to consider all options and, as a minimum, will be working to seek to ensure that REUL on environmental protections is assimilated by the sunset deadline.

Stakeholders

22. You told us “There’s going to have to be engagement with stakeholders because we’re going to have to have that understanding of some of the steps that have been taken. I think the problem is, at this stage, it’s not completely clear who we will be engaging with, to what extent, and within what framework.” (RoP, 350)

- a. Could you clarify whether the Welsh Government is engaging stakeholders on the Bill at this stage, or when it plans to if this is not yet the case?
- b. You identified agriculture and environment as areas where there will be a “big focus” which you anticipate to be “very intense” (RoP, 323). Is the Welsh Government prioritising stakeholder engagement in these fields?
- c. How will you engage stakeholders in order to determine what issues are important to them?

We have already made clear our general concerns about the Bill and opposition to it. The real engagement will need to be with stakeholders on a sectoral basis in light of the UK Government’s decisions about changes to REUL that it intends to make.

The areas you refer to account for a significant amount of the REUL that is within devolved competence. Accordingly, we will expect to engage with stakeholders in those areas as fully as possible, once the UK Government’s approach is clear.

Agriculture Bill

You told us that the Agriculture Bill “contains within it elements of retained EU law, and there may be issues that will arise during this process that need to be addressed; it’s just not clear what they might be at this stage” (RoP, 335).

23. Why was it appropriate to use the Agriculture Bill as a vehicle to provide broad powers for the Welsh Ministers to amend retained EU law when the Welsh Government has undertaken no analysis of the implications of the REUL Bill in this policy area?

As indicated above, we are considering our response to the situation, in effect, imposed by the UK Government on reviewing REUL. In general our position is that retained EU law, like EU law before it, works well and, consequently, beyond gradually amending the law as appropriate over time as with any body of law, we had no

intention to repeal, revoke or amend REUL to an arbitrary deadline on ideological grounds.

Furthermore, there is currently no certainty as to what the final version of the REUL Bill will look like, whether it will actually proceed to Royal Assent, nor what will happen to each piece of REUL. As a result, the Agriculture (Wales) Bill is proceeding on the basis of what is currently known.

24. Is it the Welsh Government's intention to save the REUL on which the Agriculture Bill relies under the REUL Bill? What happens if the REUL on which it relies is revoked by the UK Government? Is the UK Government aware of the Welsh Government's need for the REUL to remain in place for the operation of the Agriculture Bill?

As currently drafted, the REUL Bill has powers which the Welsh Government could exercise to preserve REUL in areas of devolved competence. The Welsh Government is considering how it will respond to this Bill and is working with the UK Government to identify all devolved REUL, including those instruments made by the UK Government and Parliament.

25. When do you anticipate being in a position to understand the breadth and detail of any issues which need to be addressed during the passage of the REUL / Agriculture Bills?

We will continue to engage and, in parallel, are considering how to respond in the coming months as the new UK Government's position on the REUL Bill is understood.

26. Is it your intention to make amendments to the Agriculture Bill to address any such issues?

As above, we will continue to engage and are considering how to respond as the new UK Government's position on the REUL Bill is understood.

27. Does the Welsh Government intend to adopt this approach of taking broad executive powers to deal with the uncertainty of REUL rather than bring forward primary legislation when the picture is clearer

As above, we will continue to engage with the UK Government and are considering how to respond as its position is understood. In the meantime, there are no plans to change the executive powers in the Agriculture (Wales) Bill.

Rt Hon Elin Jones MS
Llywydd
Chair, Business Committee

27 January 2023

Annwyl Lywydd

Retained EU Law (Revocation and Reform) Bill

Further to my letter of 21 December 2022 in relation to the Retained EU Law (Revocation and Reform) Bill, at our meeting on 23 January 2022 we considered a letter from the Counsel General (dated 19 January) which responds to a series of questions we asked following the Counsel General's attendance at our meeting on 5 December. On 23 January, we also considered your letter of 19 January, in which you asked if we could continue to draw relevant matters to the attention of Business Committee, in particular those aspects with potential implications for Senedd Business.

The Counsel General's letter of 19 January provides an update on the Welsh Government's approach to the Bill, as well as information on how it is reviewing retained EU law, matters related to capacity and resource, and the impact on and role of the Senedd.

We agreed that we would draw the correspondence to your attention, and to the attention of relevant Senedd Committees.

Yours sincerely,



Huw Irranca-Davies
Chair

Lesley Griffiths, MS
Minister for Rural Affairs and North Wales, and Trefnydd

Correspondence.Lesley.Griffiths@gov.wales

1 February 2023

Dear Minister,

Agriculture (Wales) Bill

Thank you for your letter, dated 22 December 2022, regarding my office's response to the Economy, Trade and Rural Affairs Committee's consultation on the Bill above. I am contacting you following the publication of the Committee's Stage 1 Report on the Bill at the end of January.

I am glad that the Committee has quoted our evidence, including the three main issues which we asked you to address in Stage 2, in our letter dated 7 December 2022. On the basis of our evidence, the Committee makes a specific recommendation to bring forward amendments in relation to the Welsh language:

"The Minister should bring forward amendments to the Bill to strengthen its provisions for sustaining and promoting the Welsh language: this may include by adding it to the list of purposes in section 8, and committing to include specific indicators and targets in order to better measure outcomes."
(Recommendation 11)

The report refers to the decrease in the number of Welsh speakers across Wales, shown by the 2021 Census results. Between 2011 and 2021 there was a decrease of around 23,700 in the number of Welsh speakers¹ including a decrease in rural areas such as

¹ [Chief Statistician's update: understanding Census 2021 data about the Welsh language | Digital and Data Blog \(gov.wales\)](#)

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Comisiynydd y
Gymraeg
Welsh Language
Commissioner

Carmarthenshire and Ceredigion. This highlights the need for the Welsh Government to act across all its policy areas to support the achievement of its strategy, *Cymraeg 2050*.

I ask you kindly, therefore, to continue to consider my office's response to the consultation on this Bill and to include amendments in Stage 2 of the Bill which reflect our recommendations and recommendation 11 in the Economy, Trade and Rural Affairs Committee's report. My officers would be glad to discuss this matter further with your officials.

Yours sincerely,

Efa Gruffudd Jones
Welsh Language Commissioner

Copy to: Paul Davies MS, Chair of the Economy, Trade and Rural Affairs Committee;
Bethan Webb, Deputy Director of the Welsh Language Division

Lesley Griffiths

Minister for Rural Affairs and North Wales, and Trefnydd

Vaughan Gething

Minister for Economy

8 February 2023

Dear Lesley and Vaughan,

Retained EU Law (Revocation and Reform) Bill

On 25 January the Committee discussed the Retained EU Law (Revocation and Reform) Bill and its associated legislative consent motions. Members are very concerned about the potential impact of the Bill on Wales in the areas covered by our remit. As such we resolved to write to you and find out more information about the Welsh Government's assessment of the Bill's impact on the following sectors: Wales' economy, trade, skills, the agriculture, fisheries and food and drink sectors and animal welfare standards. We'd also be very grateful if you could confirm what work is being done to prepare for the Bill.

Therefore, please can you provide the Committee with:

- Your views on the impact of the Bill on the sectors above and any other areas you think the Committee may be interested in;
- A list of relevant Retained EU Law (REUL) made by Welsh Ministers within your remits;
- Your plans to use the Bill's powers in relation to standards within this Committee's remit, such as animal welfare;
- Information on what discussions you have had with other governments in the UK about the impact of the Bill on matters within the Committee's remit and whether/how any changes to relevant REUL might be coordinated, if the Bill is passed;

- Details of any impact on the Welsh Government's legislative plans where related to the Committee's remit;
- Your views on how the Bill might interact with post-Brexit international trade agreements;
- Your views on the Bill's potential impact on intra-UK trade, including its operation alongside the Internal Market Act 2020; and
- Your views on how the Bill might interact with common frameworks within the remit of this Committee.

Legislation, Justice and Constitution Committee undertook a [call for evidence](#) following the Bill's introduction. Members discussed the evidence provided to this consultation that was relevant to our remit. As well as providing the detail requested above please will you respond to the points outlined below which have been raised by stakeholders in their submissions to the LJC consultation.

Food and drink:

- Food safety – The Food Standards Agency (FSA) state they are responsible for over 150 pieces of REUL on food safety in England and Wales, plus 39 additional pieces in Wales, where it has wider responsibilities. The FSA states “we are clear that we cannot simply sunset the laws on food safety and authenticity without a decline in UK food standards and a significant risk to public health.”
- Divergence – the Food and Drink Federation state “this has the potential to drive through significant divergence if changes are not aligned on a UK basis and this would then put additional burdens on Welsh businesses, particularly smaller enterprises”.

Farming:

- Farming standards - NFU Cymru have said that governments “may find themselves fighting hasty rear-guard actions to close legislative gaps which have opened up. Such scenarios will be damaging for business and consumer confidence and certainty”. They warn high standards must be properly rewarded from the marketplace, otherwise Welsh producers will simply be placed at a competitive disadvantage. They urge the Welsh Government to work with other governments to advocate high standards and resist a race to the bottom.

Animal Welfare:

- The RSPCA say that RUELE contains “some of the most totemic and important changes in animal welfare” and are worried that standards could be at risk. They are also concerned about changes or the removal of reserved laws on Wales, such as bans on the veterinary use of hormones and prohibitions on imports of wild animals and seal products, and the use of animals in research.

I have copied this letter to Huw Irranca-Davies MS in his capacity as Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely

A handwritten signature in black ink that reads "Paul Davies". The signature is written in a cursive, flowing style.

Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.

Agenda Item 2.6

Julie James AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee
Senedd Cymru
Cardiff CF99 1SN

Paul.Davies@senedd.wales

2nd February 2023

Dear Paul

Re: Provisional Common Framework Recommendations for Plant Health, Plant Varieties and Seeds, Agriculture Support, Fertilisers and Organic Production

Thank you for the ETRA committee's report, received by officials on 9 December 2022 detailing the committee's recommendations for the provisional framework agreements on Plant Health, Plant Varieties and Seeds, Agriculture Support, Fertilisers and Organic Production.

As you will be aware, the UK Parliament, Scottish Parliament and the Northern Ireland Assembly are also undertaking scrutiny of the frameworks, and we will need to wait for their Committees to complete scrutiny before we can provide a response to your recommendations. This approach to responding to Committee recommendations has been agreed on a four-nation basis and is in line with the spirit of four-nation working and consensus which embodies the Common Framework programme.

The only exception to this is where a recommendation relates to a factual error which poses a reputational risk to one or more of the Governments.

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd



Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change

Llywodraeth Cymru
Welsh Government

We will, therefore, write to you again once the recommendations have been received from all UK legislatures and the four Governments have reached agreement on the changes to be made to the frameworks in response to these.

We commit to providing a full response as soon as practicable, however, please accept this letter in the interim. In the meantime, if there are pressing matters related to policy about which you would like information or clarification, please write to us and we will be happy to address these outside the scrutiny process.

We note some of your other recommendations refer to the frameworks programme in general. We will bring these to the attention of the Counsel General, who is the Minister responsible for frameworks policy.

Regards,

Lesley Griffiths
Minister for Rural Affairs, North Wales & Trefnydd and

Julie James
Minister for Climate Change

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Llywodraeth Cymru
Welsh Government

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee
Welsh Parliament
Cardiff Bay
CF99 1SN

SeneddEconomy@senedd.wales

6 January 2023

Dear Paul,

I am writing in regard to the UK Levelling Up and Shared Prosperity Funds further to the statement which I issued to Members on 6 December.

I am concerned that the long delays being created by the UK Government are putting immense pressures on local government and other Welsh partners.

It was only on 5 December that the UK Government announced the approval of the four Shared Prosperity Fund (SPF) regional investment plans for Wales, leading to the release of funding allocations for 2022-23 with less than four months left in this financial year. Meanwhile, local authorities are still awaiting decisions on bids for round two of the Levelling Up Fund (LUF) despite them submitting these bids by the 2 August deadline last year.

The absence of a formal multi-annual grant funding offer for the SPF from the UK Government is raising a high degree of preventable uncertainty for local authorities and other Welsh partners and is putting jobs and projects at risk.

UK Ministers had previously stated that spend for the LUF would only be permitted in exceptional circumstances in 2025-26, but UK Government delays for this programme now mean that this decision could cost Wales significantly. While for the SPF, local authorities are not allowed to spend their allocations beyond March 2025, which means there is less than two years available for the delivery of a SPF project and any underspends will need to be repaid.

Since the SPF was first announced in 2017, the design and delivery process has been opaque and distant and has been exacerbated by a series of delays. The Department for Levelling Up, Housing and Communities (DLUHC) has missed its own deadlines which are creating added pressures, including soaring inflation costs, on delivery. In addition, universities, colleges, business and the third sector have been shut out of directly accessing

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

SPF and LUF funds leaving many of these sectors now reporting redundancies and the closure of vital schemes.

The process has not been supported by a consistent approach to dialogue with our partners in Wales or a transparent governance model. Independent voices including the Institute for Government and the Business, Energy and Industrial Strategy Select Committee warned that the new funding arrangements lacked coherence, purpose and focus and that the lack of engagement with devolved government risked duplication and poor value for money outcomes.

The delayed SPF and LUF timescales will not allow the necessary time to plan and deliver projects that represent the best possible outcomes for communities in Wales. The need to use funds late in the year will make many strong proposals based on collaboration unviable as partners are forced to prioritise projects which are able to spend quickly rather than strategically.

The UK Government has not been active in regional economic policy in Wales at this scale for more than two decades and we remain concerned that DLUHC does not have the expertise, networks, infrastructure or experience to deliver these funds effectively in areas devolved to Wales.

In contrast, the Welsh Government was ready to start a post-EU investment programme almost two years ago in January 2021. By that time we had worked intensively with the OECD and our Welsh partners and undertaken a public consultation to create the strongest possible model for Wales – which included a role for the UK Government – as set out in our *Framework for Regional Investment in Wales*.

The UK Government has actively placed at risk critical pan-Wales programmes which are vital to supporting productivity and growth, such as Business Wales, apprenticeships, the Development Bank of Wales and our innovation programmes.

We do not accept the UK Government's claim that its funds deliver less bureaucracy or a greater say for local government in Wales. Without a consistent dialogue, local government has not been in a position to influence decisions in Wales beyond their bid submissions, leaving UK Ministers with greater power over local decisions without the input required from local communities.

The competitive-based LUF to level up regions across the UK raises questions on whether this fund is actually based on need. In addition, the lack of engagement with local authorities does not even allow local authorities to express their bid preferences according to need, with decisions resting with UK Ministers on which of the bids submitted are selected.

We remain concerned that these two funds as a whole shift support away from those areas where need is greatest, meaning that a smaller overall sum will have a lesser impact at a time of extraordinary need. I have set out in previous statements that the Welsh Government urged DLUHC to make the Welsh Index Multiple Deprivation the decisive factor in determining SPF allocations.

Multiply is another area of concern that could see tens of millions of pounds spent badly or unable to be spent. Already the UK Government is withholding £15 million of Wales' SPF allocation for 2022-23 due to local government spending concerns which stem from the UK Government's persistent delays and the lack of flexibility within the scheme.

The UK Government is bypassing the Welsh Government and Senedd on these funds and this risks poor value for money and outcomes and blurred accountability. In particular, it is not clear how the audit processes will work or how Members of the Senedd will be able to hold decision makers accountable on matters which are plainly devolved. These issues are already demonstrated by the UK Government's reluctance to grasp the urgency of the problems which I and my Ministerial colleagues have raised with a succession of UK Ministers and its failure to respond meaningfully to the Finance Committee's recent specific recommendations on post-EU funding arrangements.

I raised these points at a meeting of the Levelling Up, Housing and Communities Committee on 12 December as part of its current inquiry into Levelling Up. I also hope the Economy, Trade and Rural Affairs Committee will consider these funding problems which are having a detrimental impact on growth and jobs at a time when they are most needed in Wales.

Yours sincerely,

A handwritten signature in dark ink, reading 'Vaughan Gething'. The signature is fluid and cursive, with the first name 'Vaughan' being more prominent than the surname 'Gething'.

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Vaughan Gething MS
Minister for Economy
Welsh Government

3 February 2023

Dear Vaughan,

UK Levelling Up and Shared Prosperity Funds

Thank you for your letter regarding the UK Levelling Up and Shared Prosperity Funds. Members are keen to examine post-EU funding arrangements, building on the recent report you mentioned by the Finance Committee. However, you will be aware that the Committee's timetable is currently dominated by legislation. We will be planning the Committee's programme following our work on the Agriculture and Food Bills shortly and I anticipate post-EU funding will be a priority.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.



Llywodraeth Cymru
Welsh Government

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee
Senedd Cymru
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3 February 2023

Dear Paul,

The Agriculture (Wales) Bill

I would like to highlight the Written Statement I have issued regarding Stage 2 amendments to the Agriculture (Wales) Bill. The Government will propose the amendments, which have been agreed with Plaid Cymru as part of the Co-Operation Agreement, should Members agree to the General Principles of the Bill.

I have included the webpage link for the Committee's information.

[Written Statement: Government amendments to the Agriculture \(Wales\) Bill \(3 February 2023\) | GOV.WALES](#)

Regards,

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

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Lesley Griffiths AS/MS

**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd**



**Llywodraeth Cymru
Welsh Government**

Peredur Owen Griffiths MS

Chair

Finance Committee

Senedd Cymru

Cardiff

CF99 1SN

3 February 2023

Dear Peredur

Thank you for the Finance Committee Report published on 27 January regarding the Agriculture (Wales) Bill as part of stage 1 scrutiny.

I am grateful to the Committee for its considered stage 1 scrutiny. I have carefully considered the committee's report.

Please see my response in Annex 1 to the set of recommendations in advance of the Stage 1 General Principles Debate, as requested within recommendation 1.

Yours sincerely

Lesley Griffiths AS/MS

**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd**

Annex 1: Response to Finance Committee's report on the Agriculture (Wales) Bill – 6 February 2023

Recommendation 1. The Committee recommends that, in line with the issues raised in its letters to the First Minister on 16 November and 19 December 2022, that the Minister provides a written response to the recommendations set out in this report, prior to the Stage 1 debate.

I have agreed to provide a written response to the committee ahead of the stage 1 debate on this Bill.

However, I would like it noted as outlined by the First Minister in his letter to the Committee in December, it is not always practical for Welsh Ministers to do this prior to the Stage 1 debate for every Bill.

Recommendation 2. The Committee recommends that the Welsh Government provides a breakdown of the costs included in Option 3 of the Regulatory Impact Assessment relating to Rural Development Plan funding, and that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Accept

The focus of the future support Cost Benefit Analysis within the Regulatory Impact Assessment (RIA) was on the costs and benefits of providing revenue support directly to farmers. Under the current system, the two largest contributors to this are the Basic Payment Scheme and Glastir, amounting to an estimated £278m per year. The costs and benefits of other elements of support (such as Farming Connect and the Farm Liaison Service) were also included.

We are not proposing to divert funding support away from farmers. The £278m is not a prediction or guarantee of future funding levels, it will depend on future funding settlements from His Majesty's (HM) Treasury and the Welsh Government budget process. It is difficult to be certain what the future budget for agricultural support will look like beyond the term of this UK parliament.

We accept the recommendation to add further information relating to the Rural Development Programme elements not included in the RIA, for information following Stage 2.

Recommendation 3. The Committee recommends that the Minister undertakes modelling work to estimate the annual cost of the Sustainable Land Management scheme dependent on the different levels of take-up in different farming types, and

Annex 1: Response to Finance Committee's report on the Agriculture (Wales) Bill – 6 February 2023

that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Accept in Principle

The Regulatory Impact Assessment (RIA) covers all the provisions in the Agriculture (Wales) Bill. It is not an RIA for the Sustainable Farming Scheme (SFS). Option 3 of the Cost Benefit Analysis (CBA) for future support focusses on the costs and benefit of legislation to introduce support consistent with Sustainable Land Management (SLM). The Bill does not define the delivery mechanisms of future schemes.

The proposed SFS is still under development. We have recently concluded the survey, workshops and interviews which formed the second round of co-design for the SFS and intend to publish a full report early 2023. The environmental and economic modelling work my officials are undertaking will also inform the design of the final proposed scheme.

I have committed to consult on the final proposed scheme at the end of this year. We will publish a range of evidence concerning our assessment of the scheme and the outcomes we are expecting to deliver. The timescales proposed for the consultation and SFS modelling will not allow additional information to be included in a revised RIA following stage 2 proceedings.

Recommendation 4. The Committee recommends that the Minister reassess the unquantified costs, and uses previous experience to provide a sensitivity analysis to show the potential range of costs, and that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Accept in Principle

The Regulatory Impact Assessment (RIA) has, wherever possible, quantified the expected costs associated with the provisions within the bill.

For some of the powers being taken in the bill it is not possible to quantify costs, for example we cannot know when a crisis might occur, and on what scale, so we cannot plan for all expected costs. A fuller explanation is provided below.

Intervention in Agricultural Markets:

Calculating costs for this proposal is unknown because of the nature of these proposed powers being one of crisis response. Two examples of previous market intervention schemes are given below, but these may not reflect the cost of any future schemes.

Annex 1: Response to Finance Committee's report on the Agriculture (Wales) Bill – 6 February 2023

In 2020, a scheme was launched to support the dairy sector when the Covid-19 pandemic forced the closure of hospitality establishments. While this scheme used powers under the Government of Wales Act 2006, they were used in a similar way to how the proposed powers could be used. Under this scheme, £1,018,500 was paid out to Welsh dairy farmers, which when adjusted for inflation, is equivalent to £1,182,000 in 2022 prices.

In the period 2011-2021, two crisis intervention schemes were launched, both in support of the dairy sector. One came in the form of support across the EU in 2016, which was in response to hardship caused by the end of milk quotas, a Russian ban on EU food imports and low oil prices.

It should be noted this scheme may not directly reflect the sort of scheme possible under the proposed powers for exceptional market conditions in the Agriculture (Wales) Bill, as it was proposed as a wider set of EU support to the dairy sector. Under the 2016 scheme, €30,195,996 was allocated to the UK under this crisis intervention measure. At the time, officials estimated the support to Wales would be approximately £3.2 million. Adjusted for inflation, in 2022 this would be worth £4 million.

Marketing Standards/ Carcass Classification:

There are no foreseeable financial costs because the Welsh Government does not currently have any plans to use the proposed powers to amend marketing standards in the time period specified.

Tenancies:

Costs and benefits are very difficult to estimate with any certainty as each agricultural tenancy agreement is a unique private contract and the detail of the financial assistance schemes to which the provisions apply are yet to be finalised. It is difficult to estimate how many agricultural tenants may benefit from the provisions when implemented. However, we anticipate the true benefit of the proposal will be in incentivising tenants and landlords to come to a negotiated agreement to avoid the costs of dispute resolution.

Tenants who successfully utilise the provisions to vary restrictions (when implemented) may receive direct financial benefits from accessing financial assistance schemes. This could also benefit the landlord where schemes help increase farm efficiency and productivity by making the tenant more financially resilient and less likely to enter into rent arrears. However, this is impossible to quantify because it will be different in each case.

Annex 1: Response to Finance Committee's report on the Agriculture (Wales) Bill – 6 February 2023

Forestry:

As outlined in more detail at Recommendation 6, the likely costs set out in the RIA were those which could be identified and agreed in collaboration with the Forestry Provision Stakeholder Group. They also agreed that a number of costs could not be quantified other than in individual examples as set out in the text of the RIA. There were no previous experiences to draw upon that relate to the new powers proposed.

It is proposed that frequency of cases and associated real costs are examined as part of the post-implementation review to be undertaken within 3 years of the commencement of these new powers. This will provide a better understanding of the operation of the powers and the costs involved.

Public Intervention and Private Storage Aid:

The Welsh Government are planning to reform Public Intervention (PI) and Private Storage Aid (PSA) legislation, ending mandatory Public Intervention and making amendments to how Public Storage Aid is governed. These changes mirror those being made by the UK Government for England and use powers for the Welsh Ministers in the Agriculture Act 2020.

These schemes, which operate effectively when applied across the UK market, are rarely used due to the fact the specification and/or price thresholds are rarely met.

Officials are currently assessing the implications and where appropriate will update the RIA.

Recommendation 5. The Committee recommends that the Welsh Government ensures the Senedd will have the opportunity to scrutinise the Economic Impact Assessment and present its views.

Accept

The final economic analysis will be published alongside a range of other evidence in support of our proposals, as part of the proposed consultation in 2023 on the Sustainable Farming Scheme. I anticipate that this work will estimate the economic impact of the proposed Sustainable Farming Scheme (SFS) on the Welsh farming sector

I will ensure that the final report on the economic analysis of the proposed SFS is made available to the Senedd for scrutiny.

Annex 1: Response to Finance Committee's report on the Agriculture (Wales) Bill – 6 February 2023

Recommendation 6. The Committee recommends that the Welsh Government undertakes further work to assess the cost to the private sector relating to forestry and provides a sensitivity analysis to show the potential range of costs, and that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Not accepted

It is not possible to provide a potential range of costs for inclusion in the Regulatory Impact Assessment (RIA).

The likely costs and benefits set out in the RIA were those which could be identified and were agreed in collaboration with the Forestry Provision Stakeholder Group which was comprised of representatives of both the forestry and conservation sectors. A number of costs could not be quantified other than in individual example cases as set out in the RIA.

Unquantified costs are already part of the normal pattern of forest management planning, allowing flexibility around felling operations where necessity arises e.g. stoppage due to unsuitably wet ground conditions or the unexpected presence of a Schedule 1 bird under the Wildlife and Countryside Act 1981. These are in line with the UK Forestry Standard which all felling licences must comply with.

Proposed conditions will range from baseline conditions to site specific or bespoke conditions depending on the site circumstances. Baseline conditions are aimed at formalising compliance with other environmental legislation within the felling licence system. As such, no additional costs to the private sector are envisaged over and above what they are already doing.

With regards to site specific or bespoke conditions where there is a potential for additional costs, providing a range of meaningful costs is very difficult. This is due to the unknown likelihood of different cases arising depending on highly variable factors such as scale of operations, age and species of trees felled, individual site conditions and the environmental sensitivities present.

These highly variable factors also affect estimating a range of costs to the private sector for amendment/suspension/revocation of licences and any associated compensation. It is noted that instances of suspension and revocation are expected to be very rare, as a last resort where agreement or amendment cannot address the issue.

Therefore, it is not possible to provide a potential range of costs for inclusion in the RIA.

Annex 1: Response to Finance Committee's report on the Agriculture (Wales) Bill – 6 February 2023

It is proposed that frequency of cases and associated real costs are examined as part of the post-implementation review to be undertaken within 3 years of the commencement of these new powers. This will provide a better understanding of the implementation of those powers and the costs involved.

Recommendation 7. The Committee recommends that, as part of the post-implementation review, the Minister quantifies the benefits arising from the Bill.

Accept

The Bill includes a set of comprehensive monitoring and reporting requirements as set out below.

Annual financial reporting of schemes operating under the Power to Provide Support will outline all the financial spend of all support provided during the period being reported. This report will also provide information on the number of schemes and their corresponding financial profiles for the period.

An Impact report must be completed periodically to assess the impact of all support provided. Not only will this provide the mechanism of appropriate accountability, it is also a means of measurement against the purposes for which support is given and an assessment of the supports contribution towards achieving the SLM objectives. This will form an important and ongoing evidence base for future policy development.

In addition, there are reporting requirements for the progress made against the SLM objectives, where indicators and targets will be set to measure progress against the SLM objectives.

Forestry:

My officials will conduct a post implementation review of the legislation within 3 years of commencement of the amendments to the Forestry Act 1967.

We will work with Natural Resources Wales and stakeholders to agree a collection of relevant data following commencement in order to monitor the impact of the forestry provisions within the Bill.

Recommendation 8. Where possible there should be synergy between the current and new IT system that will be developed to support online applications and contract management under the Bill. The Committee recommends that the Minister provides further details of the costs of the system once the options assessment has concluded, and that this information is included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Annex 1: Response to Finance Committee's report on the Agriculture (Wales) Bill – 6 February 2023

Accept

Further details of the IT development costs will be provided in an updated Regulatory Impact Assessment (RIA) following stage 2 proceedings. These costs will be estimates based on our initial assessment of options relating to the delivery of the current scheme design proposals.

Recommendation 9. The Committee recommends that the Sustainable Land Management scheme's application process for farmers or farm businesses is user-friendly and minimises the resources required to apply for the programme through concepts such as pre-populated information.

Accept

Making the application process user-friendly with minimal resources required is an important design principle which will be adopted wherever possible.

Recommendation 10. The Committee recommends that the Minister provides clarification in relation to the £2.8 million of additional costs that will be borne by Natural Resources Wales and whether additional funding will be made available by the Welsh Government or whether Natural Resources Wales will be expected to absorb these costs into its existing budget.

Accept

The costs attributed to Natural Resources Wales (NRW) are indicative estimates and not predictions. My officials are currently working with NRW to determine what, if any, future downstream costs may be realised as a result of future Sustainable Land Management (SLM) schemes.

As we begin to transition to future SLM schemes, I will work to ensure that any downstream costs resulting from the implementation of this legislation are fully considered.

Work to support the delivery of the Sustainable Farming Scheme will be agreed between NRW and Welsh Government.



Llywodraeth Cymru
Welsh Government

Huw Irranca-Davies MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

07 February 2023

Dear Huw,

Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

Further to my letter of 19 January, I have issued a [Written Ministerial Statement](#) summarising discussions at the most recent meeting of the Inter-Ministerial Standing Committee ('IMSC').

I have confirmed as part of that Statement that the next IMSC is scheduled to be held in March and will be chaired by the UK Government, in line with rotating chair arrangements. I will provide a written update on the arrangements for the next meeting, which will include the date and likely agenda items, in due course.

I have also copied this letter to the Finance Committee and the Economy, Trade and Rural Affairs Committee.

Yours sincerely,

Mick Antoniw AS/MS
Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Agenda Item 2.11

Economy, Transport and Rural Affairs Committee

The Food (Wales) Bill

A paper from the Minister for Rural Affairs, Trefnydd and North Wales

Summary

1. The Welsh Government opposes the [Food \(Wales\) Bill](#) ('the Bill') on the grounds it is unnecessary, would create bureaucracy and cost for numerous public bodies. Most significantly it would undermine the legislative and governance framework already established for strategic planning, policy making and long-term action, put in place by the [Well-being of Future Generations \(Wales\) Act 2015](#) (hereafter the WFG Act).

The general principles of the Food (Wales) Bill and the need for legislation to deliver the stated policy intention

2. The Bill's proposed policy objective¹ is to provide '*a framework that enables a coherent, consistent and strategic cross-governmental approach to policy and practice on all aspects of the food system*'.

3. Describing the Bill's purpose, the Explanatory Memorandum states it is:

*'to establish a more sustainable food system in Wales. This means strengthening our food security through a resilient supply chain, supporting the development of our food industry, improving Wales' socioeconomic well-being and enhancing consumer choice. The food system the Bill seeks to establish will also have environmental considerations at its core, such as: protecting and restoring nature; tackling and mitigating the effects of climate change; and minimising Wales' global environmental footprint.'*²

4. Crucial to the question of whether there is a case for a Bill, neither the Explanatory Memorandum nor any other evidence submitted in support of the Bill has demonstrated convincingly that there is any significant inconsistency or lack of coherence, or failure to work across Welsh Government or beyond, in creating or delivering food related policies. Concerningly, the Explanatory Memorandum makes unsubstantiated statements for example:

*'current Welsh Government policy relating to food is not joined up, leading to policy incoherence and unintended consequences'*³ and also

¹ Explanatory Memorandum, paragraph 8.

² Ibid paragraph 9.

³ Ibid paragraph 17.

‘food policy is too often thought of in silos, with Welsh Government departments taking different approaches to food policy, resulting in policy aims that can often contradict each other’⁴.

5. These statements appear to rely heavily on claims from a small number of stakeholders quoted in the Explanatory Memorandum which offer some brief, confused and inaccurate examples⁵ such as suggesting the Welsh Government’s strategic goal to develop the food and drink manufacturing industry is at odds with policy to develop sustainable agriculture, or claiming there is a missed opportunity to develop sales of healthy food and drink products (joining up industrial policy with Healthy Weight Healthy Wales) when there is already a target to support reformulation of 25 products a year through Food Innovation Wales support in pursuit of this exact policy join-up.
6. The Explanatory Memorandum refers to *‘a lack of scrutiny of policy related to the wider food system in Wales’*⁶ but fails to consider the role the Senedd can and does play in scrutinising the Welsh Government and so does not see or examine the strength of inquiry which can already be brought to bear on food issues.
7. We note 63% of respondents to the Bill consultation think food related policies are not joined up enough and no respondents thought they are⁷. This is a striking finding and, even if the responses are probably skewed towards respondents who are motivated to change the food system or criticise current policy, we do not dismiss this clear message. It warrants consideration why respondents think this. It is disappointing it has not been explored following the consultation or in the Explanatory Memorandum. It is possible the underlying reason for this opinion could be failure to communicate the connections policy clearly rather than the policies themselves not being clear or coherent, which would be a crucial distinction. If that is the case an appropriate response would be to consider how to change communication of policy, not to make additional law. Disappointingly the Explanatory Memorandum fails to explore any option other than ‘do nothing’ or legislate. There are no suggestions about how to improve policy coherence using the current legislative framework, and the work of existing organisations, but instead it leaps to conclude new legislation must be the answer.
8. The Welsh Government strongly agrees policy should be coherent, consistent and strategic, with a cross-governmental approach extending across and beyond Welsh Government. It is our opinion this is already the case with a comprehensive suite of food related policies in place building on a long-term track record. In summary, and in simplified form, set against the Bill’s secondary food goals, below is a selection of relevant policies we have in place or in development:

⁴ Ibid paragraph 18.

⁵ Ibid paragraph 26.

⁶ Ibid paragraph 18.

⁷ Ibid paragraph 25.

| | |
|--|---|
| Strategic Vision for the food and drink manufacturing and processing industry | Economic well-being (but in ways which take account of other well-being goals.) |
| Healthy Weight, Healthy Wales Healthy Start Free Primary School Meals Big Bocs Bwyd Child Poverty Strategy Social partnership and public procurement Bill | Health and social |
| Curriculum for Wales | Education |
| Agriculture (Wales) Bill and Sustainable Farming Scheme | Environment and Economic well-being |
| Beyond Recycling | Food Waste |
| Community Food Strategy | Potentially all goals to some degree. |

9. The Bill is very similar to the [Good Food Nation \(Scotland\) Act 2022](#) in scope and approach. The Scottish proposals are explicitly about food and so make that prominent, but their practical effect is only to create what in broad terms already exists in law in Wales thanks to the WFG Act.
10. The Explanatory Memorandum claims the Bill has been drafted to be consistent with the WFG Act⁸, and it will help public bodies meet their duties under the WFG Act⁹. What the Bill overlooks is Wales has already legislated to improve the country's well-being by creating the Future Generations Commissioner with legislative powers to advise and assist public bodies and by placing duties on public bodies to pursue seven well-being goals and act in accordance with the sustainable development principle. The WFG Act strengthens existing governance arrangements for improving the social, economic, environmental, and cultural well-being of Wales. The well-being goals aim to build a more equal, prosperous, healthier, resilient, and globally responsible Wales with more cohesive communities and a vibrant culture and Welsh language. Although food is not explicitly mentioned there is obvious overlap between them and the secondary food goals, in particular with the goals for a prosperous Wales, resilient Wales and healthier Wales. The WFG Act makes provision requiring public bodies to do things in pursuit of the economic, social, environmental and cultural well-being of Wales in a way that accords with the sustainable development principle. It also provides for a suite of national well-being indicators¹⁰(x50) and milestones¹¹ (x8). It also put Public Services Boards on a statutory basis. And to emphasise, the Future Generations Commissioner already has the statutory powers to advise, assist, review and make recommendations to public bodies, in relation to the well-being goals.

⁸ EM paragraph 148.

⁹ EM paragraph 14.

¹⁰ [Well-being of future generations: national indicators and milestones for Wales 2021 | GOV.WALES](#)

¹¹ The Welsh Government are currently consulting on a second wave of national milestones | [Further national milestones to measure our nation's progress | GOV.WALES](#)

11. Collectively these extant arrangements provide all the mechanisms for joined-up, long term policy making on complex matters, making the Bill unnecessary and causing duplicative, resource wasteful work and overlaps through the duties to set targets and make plans. But, potentially of very great significance, is the Bill potentially undermines the overarching governance systems and principles established by the WFG Act through creating the precedent of legislating on a single issue.

Food goals and targets

12. It is unclear why the Bill has set a primary goal and secondary goals or what the relationship between them is exactly. The Explanatory Memorandum says nothing more than the primary goal being ‘overarching’¹². The Welsh Government is particularly concerned about the inclusion of ‘affordable’ in the primary goal¹³ as this has a potentially very wide interpretation which could conceivably for example mean the provision of subsidised or free food directly or indirectly by public bodies, or intervention in the market to impact food retail or charitable activities.
13. As referred to already, the Welsh Government is already pursuing diverse policies relevant to delivering the secondary goals. These policies have or commit to create explicit targets and indicators. Some examples are:
- a. bringing economic well-being through advancing a long term [Strategic Vision for the food and drink manufacturing and processing industry](#). Support programmes through this strategy are helping businesses thrive across Wales, adding value, promoting our products, employing people and creating prosperity.
 - b. focus on health and social aspects of food through for example [Healthy Weight, Healthy Wales](#), and our expansion of support for community initiatives providing accessible and affordable food such as [Big Bocs Bwyd](#).
 - c. The [Agriculture Bill](#) has at its start¹⁴ the sustainable land management objective which includes producing food in a sustainable manner.
 - d. The [Beyond Recycling Strategy](#) commits to eradicate all avoidable food waste by working with businesses across the whole supply chain, to limit food waste in all settings. BRS sets a target to halve avoidable food waste by 2025, and by 60% by 2030.
14. Consequently the practical effect of the Bill would be to create a duplicative system of planning, target setting and reporting which would achieve no additional impact or benefit in itself.

Welsh Food Commission

¹² Ibid paragraphs 192 and 196.

¹³ Bill section 2.

¹⁴ Agriculture Bill, section 1.

15. The Welsh Food Commission would have the objective¹⁵ to advance the food goals and achievement of the targets. The Commission's creation would be a wholly new development not in any current or proposed Welsh Government policy.
16. Welsh Government is concerned about the cost of establishing and maintaining the Commission, which would divert resource year after year for no obvious benefit. We are also concerned about the proposed Commission functions to advise, inform and assist¹⁶, especially the function to inform and advise the public¹⁷. These proposed functions overlap unclearly with the functions of the Food Standards Agency¹⁸. Potentially this lack of clarity could cause confusion, would complicate communication, and consequently given the risk inherent in food matters regarding the decisions businesses, stakeholders and members of the public take, it is concerning.
17. It is also likely the Commission's proposed functions to advise and assist public bodies will overlap with the WFG Commissioner's functions to advise and assist public bodies on achieving the well-being goals given the food goals are inherently within the scope of the well-being goals of the WFG Act. This is important because it could impact how public bodies discharge their functions.

National food strategy and local food plans

18. The Bill requires the Welsh Ministers to publish a national food strategy setting out the overall strategy and individual policies they intend to pursue in order to advance the primary and secondary food goals and achieve the food targets. The Welsh Government sees this as unnecessary given there is already a comprehensive set of policies and plans in place for food related matters. Where there are gaps, we are taking action to address them, such as the commitment to develop a Community Food Strategy. The underlying organising principle of all this work is the WFG Act and policy development is inclusive of stakeholders with co-production of policy and delivery a strong feature.
19. The duty on public bodies to produce local food plans potentially duplicates what can be done through the requirement to produce local well-being plans which are the focus of local authority led Public Service Boards (PSBs) established under the WFG Act. PSBs are revising their initial plans and there is opportunity to increase their focus on food matters.

General matters including meaning of terms, regulations, interpretation, and commencement

20. The Bill sets extremely challenging timescales which are at high risk of failure or, to meet them, will result in superficial and sub-optimal outputs with the consequent impact on resource use and outcomes.

¹⁵ Bill section 9

¹⁶ Bill section 10

¹⁷ Bill section 10(c)

¹⁸ Food Standards Act 1999

21. The requirement to establish the Commission, ready to discharge legal functions, within 3 months of Royal Assent is unrealistic. The experience of establishing the office of the WFG Commissioner is a comparison. The WFG Act received Royal Assent in April 2015, with the Commissioner's office starting through a commencement order which came into force on 1 February 2016, a period totalling about 10 months but significantly as it was a Welsh Government policy a matter for which considerable pre-preparation had also been done in advance.
22. The Bill would require the Welsh Government and public bodies to discharge a number of related duties within two years of commencement to set targets for the secondary goals (themselves to be approved by the Senedd under the affirmative procedure), to publish a national food strategy and to make local food plans. The Welsh Government would be required to consult with the Commission in making the strategy and setting the targets yet given the unrealistic timetable set for establishing the Commission, the complexity latent in the food goals, and the likelihood or desirability of consulting widely on proposals it is likely this would take considerable time to achieve. Consequently, there would be very little time left within the two year period allowed for public bodies to consider the targets and national food strategy for them to develop local food plans. Furthermore, it is likely public bodies will wish to consult with the Commission, the WFG Commissioner, and perhaps other persons, given the steer the Bill provides to do so¹⁹. If they do in significant numbers, it will pose a capacity challenge for the Commission and WFG Commissioner which is another factor likely to militate against plans having any quality or value.

Any potential barriers to the implementation of the Bill's provisions and whether the Bill takes account of them

23. The timescales imposed by the Bill are risks to achieving the duties imposed because they are too tight. Consequently public bodies may fail to discharge their duties or they will do so superficially.
24. The Bill provides no means to change timescales to provide for flexibility to take account of changing circumstances or to adapt in the light of experience.
25. The lack of clarity of the potentially overlapping functions of the Commission, the FSA, the WFG Commissioner, and perhaps others, may raise potential barriers and perhaps risks. The duty imposed on public bodies to exercise functions related to the food goals and targets, and to have regard to their local food plans, is untested and, given the diversity of public body functions, may in experience prove complex and resource intensive in unforeseen ways.
26. It is not clear what is the practical difference between a report assessing the effectiveness of the national food strategy²⁰ and the review of the same

¹⁹ Bill section 18

²⁰ Bill section 15

strategy²¹. As mentioned previously, the difference and relationship between the primary and secondary goals is unclear.

27. Points made already about how the Bill would operate in relation to the WFG Act are also potential barriers to its implementation.

The appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 6 of Part 1 of the Explanatory Memorandum)

28. The powers proposed appear appropriate except they do not include any flexibility to amend the timescales imposed by the Bill which is a potentially serious risk to the Bill's operability and how public bodies will discharge their duties.

Whether there are any unintended consequences arising from the Bill

29. There are significant and potentially serious consequences for the governance framework for long term policy making by public bodies established by the WFG Act (as described already).

30. The Welsh Government recognises and shares concern about aspects of the food system which have motivated proposing the Bill. However the Bill is likely to result in the creation of bureaucracy, duplication, confusion of roles with the consequent risk that arises and waste of resources.

The financial implications of the Bill (as set out in Part 2 of the Explanatory Memorandum)

31. The Explanatory Memorandum presents very conservative cost estimates of between £4,729,250 and £8,584,370²². These are new and recurrent costs.

32. The technical calculations to make cost estimates appear to be broadly correct but they are based on big assumptions about the amount of work the Bill would create. The Explanatory Memorandum states²³ it is not possible to estimate the current Welsh Government resource on food related issues, whether some will no longer be needed, or whether there could be savings to official time arising from better connected and improved functioning of food policy. In broad terms the Welsh Government agrees with that conclusion because multiple official roles have some connection to the diverse range of issues within the scope of the Bill and, in many cases, it may be just part of an official's role rather than a full time role. However, the Welsh Government has identified nothing in the Bill or Explanatory Memorandum to suggest it would save work. It is likely all the current food related activities within Welsh Government would need to continue and the

²¹ Bill section 16

²² Explanatory Memorandum paragraph 325, table 3.

²³ Explanatory Memorandum paragraph 325, table 4 'cost savings' (p72).

Bill would just impose additional work demanding more resources to accomplish. We anticipate the same would be the position in other public bodies subject to duties under the Bill.

33. There are elements of the financial implications which are probably significant under-estimates. The Bill estimates it would take two officials spending 20% of their time to accomplish all the new functions the Bill would impose on Welsh Government in its first two years, totalling c£42k²⁴. We understand this estimate has been made by adopting the Scottish Government's own estimate for the Good Food Nation Act. This approach is logical except we understand current experience in Scotland in beginning the commencement of their Act is proving to be considerably more resource intensive. The policy issues relevant to the targets and national food plan are complex and there will be considerable administrative work to design and establish the Welsh Food Commission. Furthermore, no account is taken of the legal resource which will also be needed to prepare what are likely to be lengthy and complex regulations for the targets. Collectively we would anticipate the actual resource need is likely to be many times that anticipated and would require a small but full-time team to achieve.
34. The extra cost to the FGW Commissioner is estimated at £21k pa²⁵ but we anticipate it is likely most public bodies will consult the Commissioner in making their local plans and the time demand on the Commissioner might be considerable. This would either be at the cost of other work or might require significant additional resource.

Lesley Griffiths MS
Minister for Rural Affairs, Trefnydd and North Wales
02 February 2023

²⁴ Explanatory Memorandum paragraph 325, table 4.

²⁵ Explanatory Memorandum paragraph 418.

Lesley Griffiths AS/MS

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd



Llywodraeth Cymru
Welsh Government

Huw Irranca-Davies MS

Chair

Legislation, Justice and Constitution Committee

Huw.Irranca-Davies@senedd.wales

6th February 2023

Dear Huw,

In accordance with the inter-institutional relations agreement, I wish to notify you a meeting of the Inter-Ministerial Group for Environment, Food and Rural Affairs was held on 23 January 2023.

The meeting was chaired by Mark Spencer MP, Minister of State for Food UK Government on behalf of Northern Ireland. The meeting was also attended by Mairi Gougeon MSP, Cabinet Secretary for Rural Affairs and the Islands, Scottish Government; Lorna Slater MSP, Minister for Green Skills, Circular Economy, and Biodiversity from Scottish Government UK Government; John Lamont MP, Parliamentary Under Secretary of State at Office of the Secretary of State for Scotland, UK Government; James Davies MP, Parliamentary Under Secretary of State at the Office of the Secretary of State for Wales, UK Government; and Katrina Godfrey, Permanent Secretary, DAERA in the absence of Northern Ireland ministers.

At the meeting we discussed the Retained EU Law (Reform and Revocation) Bill, including the status of the Bill, and in particular Defra's plans for managing the extensive amount of legislation in the portfolio.

We then discussed the positive outcomes of the CBD COP15. We will be discussing next steps in March.

Following this, the UK Agricultural Market Monitoring Group provided an update on the supply issues impacting on the sector.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



There were several items of AOB. I requested an update on the Animal Welfare (Kept Animal) Bill and noted I will be responding to Lord Beynon's letter on the Animal (Low-Welfare Activities Abroad) Bill. I also asked for an update on the call for evidence on caged birds I agreed to last year.

Scottish Government ministers reiterated their concerns over the Offshore Wind Environment Improvement Package.

I then requested an update on the GB Invasive Non-Native Species Strategy, which I consented to publication of in October 2022.

Scottish Government finally raised end-of-life fishing equipment and asked to work together to reduce plastic waste from the industry.

The next meeting will be held on Monday 6 March.

A communique regarding this meeting will be published on the UK Government website at <https://www.gov.uk/government/publications/communique-from-the-inter-ministerial-group-for-environment-food-and-rural-affairs>.

I am copying this letter to the Climate Change, Environment, and Infrastructure Committee and to the Economy, Trade and Rural Affairs Committee.

Regards,

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Lesley Griffiths

Minister for Rural Affairs and North Wales, and Trefnydd

8 February 2023

Dear Lesley,

Food (Wales) Bill

On 25 January the Committee **took evidence** from representatives of food and drink producers and processors on the **Food (Wales) Bill** (the Bill). In a response to a question around your comments that the Bill could be resource consuming and bureaucratic Andy Richardson from the Food and Drink Wales Industry Board **suggested** before legislation is introduced, Welsh Government Departments should be challenged to show how they are delivering against the legislation's objectives.

Members thought this suggestion was interesting and would like to incorporate the approach into our scrutiny of the Bill. As such, Members would like to undertake an exercise using the food goals in the Bill to understand how current cross-departmental Welsh Government policy is already achieving the Bill's aims.

As you will be aware the Bill sets out two different types of food goals. The Bill's **Explanatory Memorandum** (EM) sets out that the primary food goal is the overarching goal of providing affordable, healthy, and economically, environmentally and socially sustainable food for the people of Wales. The EM sets out that the secondary food goals "underpin the primary food goal and cover specific areas including: Economic well-being, Health and social, Education, Environment and Food waste."

The Bill includes a table with a list of the secondary food goals and a description for each:

| Goal | Description |
|---------------------|--|
| Economic well-being | <p>Creating new economic opportunities through promotion of locally produced food.</p> <p>Promoting sustainable economic, social and community development.</p> <p>Encouraging better links between food producers, processors and consumers.</p> |
| Health and social | <p>Reducing malnutrition, food poverty and food insecurity.</p> <p>Reducing obesity.</p> <p>Encouraging equitable distribution of healthy and sustainable food within communities.</p> <p>Promoting the social well-being benefits of food, for example through community growing and allotments.</p> <p>Promoting the importance of consuming healthy food for improving physical and mental health and well-being.</p> |
| Education | <p>Increasing the quality and accessibility of educational provision on food-related issues.</p> <p>Developing food skills to ensure better, healthier diets and well-being.</p> |
| Environment | <p>Lessening environmental impacts of food production, processing and consumption.</p> <p>Enhancing and regenerating the natural environment through food production.</p> <p>Restoring and maintaining biodiversity and habitats through food production.</p> <p>Promoting a food system that mitigates and adapts to climate change, and minimises Wales' global environmental footprint.</p> |
| Food waste | <p>Reducing food waste across the food system, including by food producers, processors and consumers.</p> |

Please can you set out how each Welsh Government department is delivering against the Bill's secondary food goals. Whilst I understand we are asking the Government to undertake a wide ranging piece of cross departmental work you will also be aware we are given very limited time to carry out legislative scrutiny. As such we would very much welcome a response ahead of our session with the Minister on 16 February and accept this means the response may be very high level. If that is not feasible I would be grateful if you could respond by 3 March as this would give us time to consider your response and incorporate it into stage one report of the Bill.

Yours sincerely



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.

Agenda Item 2.14

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

**Economy, Trade and
Rural Affairs Committee**

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The Rt Hon. Elin Jones MS
Y Llywydd and Chair of the Business
Committee

9 February 2023

Dear Llywydd,

Food (Wales) Bill – request to extend Stage 1 reporting deadline

The Economy, Trade and Rural Affairs Committee had been intending to take evidence from the Minister for Rural Affairs, North Wales and Trefnydd regarding the Food (Wales) Bill on 16 February. However, due to circumstances outside of the control of the Minister or Committee we have had to reschedule this evidence session to 1 March.

Previously we were due to hold our second evidence session with Peter Fox MS in his capacity as Member in charge, on 1 March. However, Peter and I agree that, in order to provide the best possible scrutiny, it would be desirable for Peter and Members to have time to consider the Minister's evidence before we hear from him. We are therefore looking to move our session with Peter to 8 March.

As a result of the rescheduling of our session with Peter and the timing of the Easter recess, I am concerned the Committee will not have sufficient time to consider the evidence from the Minister and the Member in charge and reflect them in our General Principles Report. I am writing to request a short extension to the reporting deadline for stage 1 of the Food (Wales) Bill from Friday 28 April to Friday 12 May.

This change would require the rescheduling of the debate from the 10 May as proposed in Peter Fox's initial time line, and, subject to approval of the General Principles, delay the start of any Stage 2 proceedings. If Business Committee is content, under the new timeline the Stage 1 debate could be held on 24 May. This would mean, subject to



progression, that Stage 2 would start on 25 May and Stage 2 consideration would need to be held on a date between 15 June and 14 July.

I have discussed this matter with Peter and he agrees that a short extension is preferable to facilitate better quality scrutiny of the Bill and is content with the proposed change.

I have copied this letter to Peter Fox MS in his capacity as Member in charge of the Bill, Huw Irranca-Davies MS in his capacity as Chair of the Legislation, Justice and Constitution Committee, and Peredur Owen Griffiths MS in his capacity as Chair of the Finance Committee.

Kind regards,



Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.





Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee
Welsh Parliament
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09 February 2023

Dear Paul

Economy, Trade and Rural Affairs Committee Review of the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021

In my response to Recommendation 4 of the Committee's review of the Control of Agricultural Pollution Regulations (CoAPR), I undertook to provide a summary of the key points of the service level agreement (SLA), in respect of the resources for enforcement of the Regulations by Natural Resources Wales, once agreed.

Following discussions between NRW and Welsh Government, the SLA has now been agreed. The Welsh Government has committed £2.55m, over the next two financial years, to support NRW's enforcement of the Regulations. The funding will be split, with £1m committed in financial year 2023-2024 and £1.55 in 2024-25. The level of funding increases in year 2, following recruitment of staff during year 1.

The SLA covers:

- Compliance with and enforcement of CoAPR requirements across all agricultural sectors and relevant activities, such as landspreading activities in Wales.
- The Service Level Agreement with Welsh Government for Delivery of Cross Compliance.
- The provision of applied evidence, environmental planning, programme development, internal/external statutory advice, and guidance in relation to introduction and implementation of the Regulations, including in relation to the 4-year review.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The SLA will deliver against the areas referred to above through incremental improvements, in the following ways:

- Staff recruitment, training and development.
- Development & delivery of training and guidance (internal & external).
- Development and delivery of a planned CoAPR compliance inspection programme with associated enforcement.
- Follow up visits in relation to previous regulatory campaigns.
- Responding to Local Authority planning application consultations.
- Preconstruction notification assessment of relevant infrastructure and provide written response to requests for confirmation (where required for WG grants).
- Cross compliance provision of required data, training, specialist technical advice and inspection of complex CoAPR cases for RIW staff.
- Statutory 4-yearly review of effectiveness of CoAPR.

As part of the delivery of the SLA, NRW will submit reports to the Welsh Government to enable monitoring and review of the agreement.

Yours sincerely,

A handwritten signature in black ink, reading 'Lesley Griffiths'. The signature is fluid and cursive, with the first name 'Lesley' and the surname 'Griffiths' clearly distinguishable.

Lesley Griffiths AS/MS

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

Agenda Item 3

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Evidence for presentation to The Economic, Trade and Rural Affairs Committee 17th February 2023

British Dietetic Association represented by Dr Amanda Squire

The general principles of the Food (Wales) Bill and the need for legislation to deliver the stated policy intention.

The British Dietetic Association* (BDA), representing Dietitians in Wales, welcomes and fully supports the introduction of the Food (Wales) Bill to secure a healthy, resilient, and sustainable food system and protect the health and wellbeing of our future generations in Wales.

Dietitians are Health and Care Professions Council (HCPC) registered professionals who translate the science of nutrition into understandable and practical food and dietary information. They support individuals, communities and the population in Wales to have the skills, opportunity and confidence to access healthy, affordable and sustainable food.

We welcome the Bill which we feel is imperative if we are to meet the scale of the economic, health and social challenges ahead. We believe food is a basic human need. It is essential for healthy growth and development of children and young people and important in enhancing wellbeing and quality of life.

This Bill will support a more joined-up approach to food and provide a much needed, integrated framework upon which to develop a safe and sustainable food system in Wales. To have a long-term impact on inequalities and to improve health outcomes in Wales, requires multi-sector involvement. We need clear goals related to food, to be achieved collectively.

We agree that a radical, long-term approach is needed to overhaul the Welsh and UK food system with a focus towards sustainable, home grown, produced and distributed food. The Bill should encompass the key aim to balance the population's food supply to reduce food industry production and supply of high fat, sugar and salt (HFSS) foods. The impact of Wales's obesogenic environment is currently compounded by a complex and largely unregulated food system, targeted advertising and easy access to HFSS foods. These can only be addressed through a cohesive and supported food environment, coupled with easy access to the right, evidence-based advice.

Action is paramount to reduce the burden that diet-related ill health has on people's lives, economic stability and life expectancy. Through these actions we can reduce the impact of illness on the NHS and health and social care services.

Wales faces a health crisis compounded by the current financial environment. Almost 60% of adults and 27% of children in Wales are overweight or obese. Wales has the highest proportion of overweight and obese 4–5-year-olds in Great Britain.

Obesity is the leading cause of major health conditions including Type 2 diabetes, stroke, cardiovascular disease and a number of cancers.

Figures produced by the Audit Office suggest that it may be our youngest members of society who face the biggest impact on their long-term health and wellbeing. The Auditor General released a report (November 2022) which calls for a review of Welsh Government policy to tackle the cost-of-living crisis and that 34% of children in Wales are living in severe poverty in Wales. This is further compounded by food prices rising steeply by 15% over the last year. The Food Bill is a key measure to address and support Wales' recovery from food poverty and support the Wellbeing of Future Generations Act.

This perfect storm of rising rates of obesity and related comorbidities, compounded by potential food poverty for many of our population will result in increased poor health, morbidity and mortality with a huge increase in burden on our already overstretched health service.

Food goals and targets

The British Dietetic Association (BDA), support the inclusion of food goals as a means to underpin objectives. If goal terminology is to be used as part of the bill and associated secondary legislation/ regulations, we suggest it would be best practice to adopt the same terminology, structure and purpose across all food goals. The goals must align with other relevant legislation and policy and have a SMART goal principles in order to be actionable.

As the Bill goes onto explain that there will be 'targets' flowing from the secondary food goals and we are concerned that there a risk of creating too many tiers/steps across the Bill's documentation. We advocate a simple and seamless approach to the goals.

It would be helpful to quantify how 'reasonable' might be measured in 'Public bodies must take *reasonable* steps to advance the primary food goal and the secondary food goals'?

We agree with the inclusion of primary and secondary goals, however suggest that the primary goal described in part 1 section 6 becomes an overachieving aim (as opposed to goal) beneath which there would be the more specific, secondary goals (akin to well written objectives). This allows more detailed and actionable targets throughout.

The British Dietetic Association (BDA) , agree with the areas identified and suggest further

- Consider food advertising within the bill, the majority of food advertising is for less healthy foods and paid for by large companies. Locally grown, unprocessed, fruits, vegetables, grains, meats etc do not receive the same advertisement and recognition yet are often healthier the healthier options and more sustainable.
- Environment/ food waste areas – should these be combined.

- Employ a joined-up approach with the Healthy Weight: Healthy Wales Healthy Food Environment goals
- Audit the success of new and existing legislation e.g. Healthy Eating in Schools (Wales) Measure
- Meeting food standards in all early year's provision, educational establishments for children and young people should be a priority in line with UN Rights of the Child and The Wellbeing of Future Generations Act.

Targets are necessary to measure outcomes and ensure advancement of goals, however we are concerned about the statement 'Before making regulations which set or amend a target, the Welsh Ministers must be satisfied that the target, or amended target, can be met'. This implies that only achievable targets will be set. Whilst it is clearly not appropriate to set unachievable goals, goals should be aspirational and sufficient bold to allow advancement of the food agenda in Wales. Dietitians are key stakeholders in the development, setting and evaluation of national and local goals.

We support the requirement for an independent element and those with relevant expertise in setting targets but achievability and relevance of any targets set must be considered and be supported by all relevant parties.

We would like further clarity around reporting dates: Ref 36 in the consultation document- what might be the frequency for statements to be published?. We advocate an earlier review timescale with more frequent interim auditing supporting 5 yearly formal reviews.

Welsh Food Commission

The British Dietetic Association (BDA), support the goals and function of a Welsh Food Commission to provide oversight of the Food Goals. However the functions are very broad and the Bill lists as a two-part objective plus functions - not goals so we would advise this is revised for consistency of terminology. We feel it is essential that public bodies will need to fully understand level of oversight of local plans, support available and level of scrutiny that the commission will provide.

We suggest that the membership should comprise adequate and appropriate representation from all sectors (both public and private) and be mindful and transparent of any conflicting interests. Members need to be representative of their sectors and have an established means of communication to ensure views are reflective of the sector as a whole. The Food Commission should have a strong nutrition representation and lead which is best provided by a Registered Dietitian. We note, however, that the Bill mentions that a local health board representative cannot be on the commission and therefore we seek clarification on this point as many of our expert Dietitians are NHS employees. The timescale for terms of office of member are appropriate and fit well with the formal review schedule.

The British Dietetic Association (BDA), note that the Bill appears to detail remuneration/ allowances these should be in keeping with other similar public duties. Members will also require the support of own employing organisation. We suggest hybrid of face to face and digital working would minimise expenses and maintain engagement. Remuneration should be appropriate to role and equitable in line with time commitment and workload.

National food strategy

The British Dietetic Association (BDA) strongly agree with the need for a National Food Strategy. The strategy should align with legislation in Scotland and England and link food related policies across many areas including health and social care, education, local authorities.

Regarding ref 62 in the consultation document – specified public bodies required to have regard / exercise functions related to primary food goal. We are keen to see more detail on how the Bill will engage the private sector including industry, retailers and manufacturers. Influencing Welsh businesses can be done with this legislation but has consideration been given to implementation of certain approaches in Wales when a parent company (lying outside of Wales) can follow different guidance across the border? We would like to understand further the reach and scope of the strategy.

Currently we, feel there is disparity between initiatives that impact food in Wales. We agree with reference 17 in the consultation document that this Food Bill should be joined up with the Agricultural (Wales) Bill – all efforts should be employed to achieve this and indeed with any new or revised policies that are cross cutting. The food strategy underpins preventative actions in A Healthier Wales and the NHS Clinical Framework. Poor diet is a major cause of avoidable ill health and the Healthy Weight: Healthy Wales strategy and the All-Wales Diabetes Prevention Programme are examples of how Welsh Government supports a shift in amendable risk factors. The food strategy must give sufficient recognition/value of its role and purpose in this regard.

The British Dietetic Association (BDA) suggests that as a key part of implementation Welsh ministers have a directly accessible source of advice from key experts, community- based organisation representatives and professional bodies. The provision of a representative advisory committee will be key to the success of implementation. As part of this, 12 month interim progress reports would be helpful in ensuring momentum in the initial establishment period. The reports should be inclusive and appropriate for all stakeholders including the lay person. Regarding ‘assessing the effectiveness of the national food strategy’ at these reporting periods, we are keen to understand what actions would be undertaken if there has been little or no positive effectiveness evidenced?

The British Dietetic Association (BDA), would like to see further detail about the planned lifespan of the strategy and suggest 5 yearly full review is appropriate of, like the Healthy Weight, Healthy Wales strategy the operational timescale is 10 years. As this bill has received cross party support can there be some commitment made to ensure the strategy is refreshed and updated for a further tenure? The

issues outlined within this Bill will not be 'fixed' in the short to medium term; they will require an ongoing commitment to achieve longer-term change.

We agree with the overriding principle of a National Food Strategy and suggest further:

The National strategy should:

- acknowledge and support strategies to address population nutrition knowledge and skills alongside food availability and provision as part of the whole systems approach.
- recognise that there may be resource implications to ensure that the right expertise is utilised
- reprioritise secondary food goals to ensure 'economic' be appropriately allocated priority

Local food plans

The British Dietetic Association agree the need for local food plans and through the Dietetic workforce we know that many projects already exist independently at local levels. It is vital that the Bill allows liaison with these providers and ongoing support of these projects will be essential, for example local community fridges to support at risk families and reduce food waste. Further, funding into education and providing greater knowledge and awareness of healthy and sustainable diets through all life stages will support the aim and proposals made. We welcome that this intrinsically included as part of the food goals. This should also be acknowledged throughout the Bill and associated documentation as a key element supporting the public in making healthier and more sustainable food choices. It needs to align to the new curriculum in Wales for young people but should not be exclusive to this.

An example of a Dietetic lead initiative working locally is Nutrition Skills for Life TM Nutrition Skills for Life® . This is an established and trusted network of Public Health Dietitians working across Welsh health boards, providing high quality food and nutrition skills training, expert advice and network opportunities that support the wider community workforce and community to engage in and adopt healthier eating practices.

Local food plans will ensure locally driven actions and priorities that take account of community needs assessments and engagement whilst ensuring alignment to the national strategy and Bill. Access to assets and resources (both positive, i.e. easy access to outdoor spaces, and negative e.g. abundance of cheap takeaways within walking distance) varies significantly within a given location in Wales; consideration is required for ensuring equitability for capacity to compile and act on information across all areas. Further detail is required with regards to the development of the local food plans, will this make the use of public service boards? We suggest consideration of whether there will be additional financial support to ensure there is sufficient resource and capacity to allow successful implementation.

We suggest that local consultation with relevant organisations, professionals and communities is essential as experts in their fields to enhance the information accrued from the commission. The proposed timescales for implementation seem fair, however would question the necessity for each public body to consult with the commission prior to making a report against their local food plan? What may be more helpful is for the commission to provide some guiding principles or a framework by which they would like to receive the report.

The British Dietetic Association (BDA) suggests:

- Ministers should consider Local food plans will likely require investment and this funding will need to be considered, while some projects exist in some areas they do not in all, therefore current provisions across Wales are not equitable.
- An all Wales template and toolkit for developing a local food plan would be useful to support public bodies development and leadership of the strategy.

General matters including meaning of terms, regulations, interpretation, and commencement

British Dietetic Association (BDA seek further clarification within the Bill around when or how stakeholders including industry, retailers, producers and manufacturers might be engaged in discussions around the food strategy and the evolving work around the food system.

We welcome this Bill and would advocate an early commencement, particularly given the current economic crisis, food poverty and global food supply disruptions and shortages .

Any potential barriers to the implementation of the Bill's provisions and whether the Bill takes account of them;

Capacity to support local plans may prove challenging in some areas of Wales, for example in North Wales BCUHB serves 6 LA areas, if each derive their own local plan health board staff may struggle capacity-wise to support all areas. We would welcome recommendations/ guidance around scope for developing local plans? Having local plans is important however, resources are stretched everywhere and so national strategy that includes key aspects such increasing food and nutrition education within schools (at various ages) is important. Positive national strategies set the tone for what can be reflected within local strategies.

Economy, Trade and Rural Affairs Committee – Food (Wales) Bill

Public Health Wales' Written Response

February 2023

1 Purpose

The purpose of this submission is to provide a written response to the Economy, Trade and Rural Affairs Committee on the Food (Wales) Bill.

2 General principles

Activities within food systems have changed substantially over recent years. From how we produce, process, distribute and consume food and the impact and outcomes those activities have on food security, other socioeconomic goals and the environment. It is a complex adaptive system which is influenced by a breadth of factors including public health policy, commercial interests, climate change, emerging technologies, and consumer trends (Food Systems Group, 2022). In addition the food system impacts on food security, availability, consumption patterns and health, including associated risk factors for the development of chronic conditions.

A number of reports published by Public Health Wales in 2021 and 2022 demonstrate the complexity of the food environment and food security in the context of the pandemic, the UK's EU Withdrawal and climate change and the spatial planning system in Wales and their impact on health, wellbeing and equity and highly relevant in the context of the introduction of the Food (Wales) Bill, including:

- ❖ Rising to the Triple Challenge of Brexit,
- ❖ COVID-19 and climate change in Wales.
- ❖ Spotlight on Food Security and Maximising Health and Wellbeing opportunities for spatial planning in the COVID-19 pandemic recovery (Green et al, 2021, Green et al, 2022) and a recent one in relation to the
- ❖ Cost-of-Living crisis ([Cost of living crisis: a public health emergency - Public Health Wales \(nhs.wales\)](#) (Public Health Wales, 2022))

The reports noted that Wales does not have its own separate, independent and explicit 'food system', but is part of an overall complex and enmeshed UK internal and international food system which is influenced by trade (Department of International Trade, 2019, 2021), production, policies, behaviours and events such as Brexit, the cost-of-living crisis or the COVID-19 pandemic.

This can present a series of 'unknown unknowns' for policy makers and health and well-being. Wales and the UK are also reliant on high levels of food imports. Therefore, a systems approach and a whole of government and multi-sector working is required.

The UN Sustainable Development Goals have clear drivers for sustainable food and health (UN, 2020, UN, 2021) and link to the Wellbeing of the Future

Generations (Wales) Act 2015 (Welsh Government, 2015). Food determinants of health including diet, nutrition, behaviour and food security are important for health, well-being and equity at both a national population level, but also at an individual and community level (Harvard School of Public Health, 2019, NIHR, 2019).

3 Food goals and targets

The food goals as described lack primacy. Good nutrition is a pre-condition for a healthy and productive life; malnutrition in all its forms imposes high economic, social and human development costs on individuals, communities and wider society (United Nations, 2023). It is advocated that adequate availability of, and access to, diverse nutritious food is the Primary Goal of the Bill. In achieving the primary function of the Bill attention should be paid to the secondary goals which also require more clarity.

School food provides a good example where the primary goal is provision of nutritious food to children and young people (Welsh Government, 2009). Secondary goals relating to the foundational economy, sustainability and creating positive relationships with food can also be achieved but not to the detriment of providing nutritious food (Welsh Government, 2013, Welsh Government, 2014).

The Public Health Wales reports (Green et al, 2021, Green et al, 2022) evidence a range of policy responses and mitigations in relation to the food environment and food security which have been taken to date. These need to be constructed in an integrated way with cross sector involvement, as actions intended to have positive impacts for one Goal, sector or area could also have negative unintended impacts for health and well-being or for other Goals and targets. This can include for the economy, employment or health and those on low incomes, lone parents. For example, a focus on sustainable local produce could be of benefit to the local economy but can drive food costs up in a setting such as a school or health care facility. Further clarity on the primacy of food goals and their descriptors could help to reduce unintended impacts.

4 National Food Strategy

Wales does not have a current national food strategy with the last version ending in 2020 (Welsh Assembly Government, 2010). One purpose of the Bill is to enhance food security and a Strategy could be a vehicle to do this. Food security is an important determinant of health and well-being at both a national population level, but also at an individual and local community level. The impacts of food insecurity on mental and physical health are well-researched with vulnerable population groups experiencing the most exposure (Elgar et al., 2021; Stuff et al., 2004). Evidence also identifies that Brexit, COVID-19, climate change and the cost-of-living crisis has impacted negatively on the food environment and food security for a wide range of population groups (The Health Foundation 2020, Green et al, 2021; Public Health Wales, 2022).

However, there are some vulnerable population groups that are particularly affected either positively or negatively or both in some circumstances. These include those on low incomes, age related groups (i.e. children and older people), lone parents, families with children, agricultural and fishing related occupations

and workers in sectors exposed to the cost of living crisis, Brexit, COVID-19 and climate change (The Food Foundation, 2019, Green et al, 2019, Marmot, 2020). These three challenges are explicit health and wellbeing drivers' for better health outcomes. In addition, a range of food determinants have been impacted upon by them including individual behaviours, diet, nutrition and food cost and supply, in both a positive and negative way.

It has been noted that the fundamentals of food poverty need to be addressed first. This includes precarious employment and low wages in order to then address food insecurity and the food environment in more depth (Kaplan, 2020). For example, access to healthy food and food growing spaces was not equal across the communities of the UK before the pandemic, with those living in deprived areas more likely to experience conditions of poor environmental quality. This included limited access to open green spaces and the over concentration, and visible availability, of unhealthy food retailing. Additionally, in deprived areas poor quality high streets were, and still are, more likely to be found with less healthy food outlets and other potentially less healthy retail outlets, such as betting and gambling shops, shisha bars and shops selling alcohol (Marmot et al 2020, Public Health England, 2020a, 2020b). Both the number of food banks and the quantity of emergency food parcels distributed have increased. In February 2021, there were over 1,300 Trussell Trust food banks in the UK, in addition to over 900 independent food banks (Tyler, 2021). Independent food banks also saw a rise of 88% over the period February to October 2020 compared to the same period in 2019 (Tyler, 2021). This issue needs to be considered as part of any wider Food Strategy and any Goal setting process.

Other factors, outside the control of proposals in the Bill, limit the ability to control the food environment e.g. Town and Country Planning legislation, rise in digital food access, cost and accessibility of health food, UK legislation of food content e.g. fat, sugar and salt.

5 The Welsh Food Commission

The establishment of a Welsh Food Commission as described has a narrow remit and its time is at risk of being consumed by monitoring of Local Plans. It could be useful to think of it having a wider reach than as currently envisaged. Wales does not have its own separate food system and as noted previously is shaped by wider international, national and local policies such as trade, the economy and environmental sustainability and 'unknown unknowns' (Green et al, 2021, Faculty of Public Health 2019). The Public Health Wales report on food security (Green et al, 2021) highlights that this makes anticipating and planning action for future long-term food security and sustainability challenging in Wales. It highlights that evidence and models could be produced to support and advocate for explicit actions which will be beneficial to wider society in Wales. This needs further consideration in the wider context of the Strategy and Commission.

Evidence suggests that involving a wide range of stakeholders including health, climate change, trade and food producers / retailers to develop policy action on food determinants and food security could facilitate better health and reduce inequalities. Food security and tackling wider food issues such as siting of food retailers, hot food takeaways, nutritional content to maximise health and well-being can only be addressed with the active engagement and support of a range

of sectors including food producers and retailers in Wales (Public Health England, 2020b).

6 Local Food Plans

We recognise that there are a number of opportunities to enhance health behaviours, the food system and food security of the Welsh population in the short and long term and this includes through a proposed Food (Wales) Bill and through strategies such as 'Healthy Weight, Healthy Wales' (Welsh Government, 2020d). There is an opportunity to enable food democracy and citizenship in Wales. A 'food democracy model' could provide Welsh society with opportunities to actively participate in and contribute to, how, when and where food is grown to promote physical health and mental well-being (Petetin, 2020).

Welsh Government also has a focus on placemaking at a local level. An element of placemaking includes enabling healthier environments that support communities to access a wide range of healthier food options and adequate spaces for food growing opportunities (Welsh Government, 2020, Welsh Government, 2021). Local food production and supply chains have been crucial during the pandemic and food production in Wales remains a priority (Welsh Government, 2021) and this could be enhanced. Joint working between built environment, licensing and public health professionals to consider how to manage hot food takeaways, for example highlighting areas of high rates of obesity, proximity of takeaways to schools is essential (Public Health England, 2020b). Acknowledging the benefits of local support and contribution to achieving a National Food Strategy it is unclear of the added value of placing a duty on public bodies to create a Local Food Plan in the short term. The levers to create a system approach to food in Wales predominantly sit at a national level. There is significant ground to cover in achieving policy coherence which would act as an enabler to local areas in the future. A phased approach to implementation is advocated, with the national system being the primary focus.

During the pandemic it was highlighted that one in eight households had no access to a garden (Natural Resources Wales, 2020) , reducing the possibilities of food growing for many residents of Wales. However, many local community food growing spaces and projects continued throughout the pandemic, once social distancing and hand hygiene precautions were established. For example, Food Cardiff (Food Cardiff, 2020) distributed 14,000 plants, seeds and growing kits during the first lockdown to support Cardiff residents grow their own vegetables and supported a local network (Edible Cardiff) connecting small-scale growers, allotment holders and community gardens (Food Cardiff, 2020). However, the proportion which contributes to food security and production in Wales is tiny, contributing less than 1% (Welsh Government, 2020).

7 General

It has been reported that the public health system can act as an enabler and can assist in changing the narrative around the issue of food system security in a post pandemic world so that there is a focus on food security's and the multi systems relating to food. For example, spatial planning or trade roles in facilitating good health and well-being and reducing inequality (Public Health Wales, 2021, Faculty

of Public Health, 2019). It can also add to the evidence base around health and food systems to enable improvement and action (Shanks et al., 2021).

It has been recommended that carrying out Health Impact Assessments could strengthen policies and plans by viewing them through a social determinant and population lens in order to avoid and mitigate for unintended negative impacts which may arise in relation to food environments and food security and health and maximise any benefits (Public Health England, 2020a, Chang et al, 2020, Green et al, 2021).

Welsh Government also has commitments for, and resurgence in, local foundational economies in Wales (Welsh Government, 2021c). Food provision is a key element of a Foundational Economy and good food partnerships can enable local partners to work together to benefit health and the economy in Wales.

8 Barriers and challenges

The increased digitalisation of food, such as the transition to digital grocery and takeaway food purchasing, also increased as pandemic restrictions continued and much of the food retail system in Wales became re-localised. This was demonstrated by an increase in sales at convenience stores too which is hard to control (Chang et al, 2020).

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Agenda Item 5

By virtue of paragraph(s) vii of Standing Order 17.42

Document is Restricted

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10 February 2023

Dear Mr Davies

Re: Economic Crime and Corporate Transparency Bill LCM

I am writing regarding the above Bill, which I am aware the Legislation, Justice and Constitution Committee is currently considering. I thought as an organisation named in the Bill, it might be helpful to provide our perspective on this to inform your consideration of the legislative consent memorandum. As currently drafted, the Bill includes provisions to confer additional powers upon us, which we support, as detailed further below.

We are the largest regulator of legal services in England and Wales, covering around 90 per cent of the regulated market. We have responsibility for making sure that the 156,000 practising solicitors and 9,600 law firms (just over 4,000 solicitors and 400 firms in Wales) we regulate are playing their part in tackling the money laundering and economic crime that blights our society, the economy and so many lives.

Our work on tackling economic crime

We have developed and advanced our approach to fighting economic crime for many years, including most prominently on money laundering and terrorist financing and more recently financial sanctions. Our work in this area is overseen by the Office of Professional Body AML Supervision (OPBAS).

If we identify knowledge or suspicion of money laundering itself taking place, we liaise with law enforcement and the National Crime Agency to open an investigation and act either straight away in coordination with law enforcement or once any criminal investigation has been concluded.

We took enforcement action against 51 firms/individuals in the year up to March 2022 and conducted 163 firm inspections and 109 desk-based reviews.

Our view on the new legislation

The powers that the Bill provides (Clause 181) would allow unlimited fining powers for the SRA in relation to solicitors engaged in economic crime and are a recognition of the significant role lawyers have as trusted advisors and gatekeepers to services

which can be misused, with all the damage that causes. We see this provision (along with Clause 183) that expand our regulatory objectives, as critical measures in deterring solicitor and law firm involvement in economic crime, whether intentionally or unwittingly through poor compliance with their obligations.

Our ability to deter solicitors from involvement in economic crime has to date been constrained by our very limited fining powers for traditional firms and those who work in them, [recently uplifted](#) by the Ministry of Justice from £2,000 to £25,000. This pales into insignificance in the light of the finances so often involved in economic crime (whereas we have powers to fine Alternative Business Structures up to £250m and those who work in them up to £50m).

We have been asking for an increase in our fining powers for many years, bringing us in line with the other legal regulators whose fining powers for their regulated communities are not capped and therefore have better deterrence.

The new powers and regulatory objective, alongside the comprehensive definition of economic crime used in the Bill, will significantly improve how we can effectively deter and tackle the full range of economic crime.

We also welcome Clause 184¹: 'Approved Regulators: Information Powers' which would provide the SRA with additional powers to proactively request information from firms so we can spot check how they are preventing economic crime.

Financial sanctions and Strategic Litigation against Public Participation

You might also find it helpful to know more about the action we are taking in relation to financial sanctions. Solicitors and other professionals are prohibited from assisting designated persons² from moving assets or providing them with advice on how they may do so. Solicitors can provide legal advice to designated persons as long as it is not to help them evade financial sanctions, however they must either seek a licence from the Office of Financial Sanctions Implementation (OFSI) to charge a reasonable fee for work, or provide the advice free of charge.

We regularly update our [guidance](#) for firms on making sure they are complying with Russian financial sanctions and that all measures and restrictions are complied with in light of the conflict in Ukraine. We also published a recent [update](#) to the profession, and we are [carrying out](#) spot checks on firms to assess compliance with the new financial sanctions relating to Russian individuals. We will take disciplinary action should we see evidence of serious non-compliance.

We have issued [guidance](#) relating to Strategic Litigation against Public Participation (SLAPPs) on how to balance duties when conducting litigation, as well as [a warning notice on SLAPPs](#) and [advice for those who might have been targeted by them](#). We are currently investigating some 40 cases with allegations related to SLAPPs.

¹ Note, this clause was added as a government amendment as New Clause 14 during Report Stage in the House of Commons on 25 January 2023.

² [Who is subject to financial sanctions in the UK? - GOV.UK \(www.gov.uk\)](#)

We hope this provides a useful overview of the value that the additional powers in the Bill would bring to our work. If you have any questions or wish to discuss this with us further, please do get in touch.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Philip', with a stylized, cursive script.

Paul Philip
Chief Executive
Solicitors Regulation Authority

Agenda Item 10

By virtue of paragraph(s) ix of Standing Order 17.42

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Agenda Item 11

By virtue of paragraph(s) ix of Standing Order 17.42

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