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Dear Lesley,

Food (Wales) Bill: Updated financial information from the Scottish Government

I am writing to you regarding your letter to the Chair of the Finance Committee on 20 April. Thank you for copying me in to this letter.

I am grateful to you for continuing to engage with officials in the Scottish Government on the estimated costs of implementing their Good Food Nation (Scotland) Act 2022. As you rightly set out in your recent letter, some of the estimated costs for the Food (Wales) Bill set out in my Explanatory memorandum were based on assumptions using information gained from liaison with Scottish Government officials on their cost estimates for the Good Food Nation (Scotland) Bill. You will also be aware that I gave a commitment during the scrutiny of the Food (Wales) Bill that I would engage further with officials in the Scottish Government as the Food Bill progressed through the legislative process in the Senedd.

In your letter you set out increased estimated costs for the Good Food Nation (Scotland) Act that have been provided to you by Scottish Government. You go on to state that these increased costs in Scotland mean that *'the estimates quoted in the Explanatory Memorandum for the costs to the Welsh Government and public bodies in Wales of implementing the FWB, are certainly significant underestimates'*. While I am not disputing changes to estimated costs in Scotland, the statement you have made about the costs of the Food (Wales) Bill being significant underestimates is not accurate. The costs of implementing specific policy areas of the Food (Wales) Bill cannot simply be measured by comparing the figures across nations, without comparing other factors such as how the different provisions of the Bill / Act work in practice.

Welsh Government costs

As set out in the Explanatory Memorandum, and as I explained during Committee scrutiny sessions, the plan I have envisaged for the Food (Wales) Bill is that the Food Commission, once established, would take a more prominent role in terms of the formation of the National Food Strategy, than it does in Scotland. This would result in lower costs for the Welsh Government than the equivalent work in the Scottish Government.

There also seems to be some confusion in the table in your letter. The Welsh Government cost of £20,960 set out in the EM is only for work to create the National Food strategy. In your letter you seem to suggest that this cost also includes Welsh Government work to establish the Food Commission, which is not accurate.

In the year the Food Commission is set up, the costs would be significantly lower for them as a body while they are set up and staff are recruited. However, for the purposes of the RIA cost estimate for the Food Commission in the first year were not reduced, this was to enable there to be resource to carry out all that was required in year 1. We anticipated that for those year 1 costs, rather than funding being provided by the Welsh Government to the Food Commission, those costs (such as those identified in your letter) would fall on the Welsh Government, but these costs will not be additional to the estimate in the RIA.

As an example, the [annual accounts 2017-18](#) show that for the Future Generations Commissioners for Wales expenditure (per month) for the first reporting period, of 14 months, was just under two-thirds of the costs for the second year. In a similar scenario for the Food Commission, calculating two-thirds of costs for the first financial year for the range of costs given in the Explanatory Memorandum, would mean Food Commission costs would be between £250,000 and £500,000 lower in the first year. As discussed with the Finance Committee, costs for establishing and initial work of the Commission will be covered within this funding figure for year 1, but could fall on Food Commission or Welsh Government staff.

	Financial period	
	01/02/2016 to 31/03/2017	01/04/2017 to 31/03/2018
	£000	£000
Total Comprehensive Expenditure for the period	1,102	1,433
Length of period: months	14	12
Cost per month	78.7	119.4
Proportion of 2017-18 costs per month	66%	

Source: Future Generations Commissioner for Wales Annual Report 2017-18: Financial Statements page

1

Food Commission Costs

The costs of the Scottish Food Commission highlighted in your recent letter are higher than the Scottish Government's original estimate which had been provided to me (at the time of the scrutiny of the Good Food Nation (Scotland) Bill). However, as I also raised during scrutiny of my Bill, the size of the food sector in Scotland, number of public sector bodies and area are significantly larger, meaning there could naturally be a higher cost to the Food Commission in Scotland.

Notwithstanding the above, the updated Scottish cost estimates of £1.1 million per annum for the Food Commission falls just below the mid-point of the range of costs given in the RIA for the Welsh Food Commission, which we estimated could have a maximum range cost of £1.5 million per annum.

Food plans costs

The RIA for the Food (Wales) Bill clearly states that the costs included relate to the production of the Food Plans themselves and the further impact assessments will be needed when regulations are put forward. These costs are based on discussions we have had with practitioners in Wales. Discussions that we had with experts in the field in terms of implementation of food plans did suggest that, though dependent on regulations and how local authorities worked collaboratively, it would be fair to expect that there would be a need for approximately one officer per local authority to implement future food plans. However, this will be relevant to impact assessments that we suggested would be required when these regulations are made.

Again, the size of the food sector in Scotland, number of public sector bodies and area are significantly larger, meaning there could naturally be a higher cost in Scotland for the creation of local food plans.

As we move towards the Stage 1 debate for the Food Bill, I understand that there needs to be as much clarity as possible on the potential costs of the Bill. I look forward to receiving the report of the Finance Committee and responding to the Committee's recommendations ahead of the debate to help inform Senedd Members. However, I am not sure it is helpful to provide Senedd Members with updated figures, as set out in your letter, without also providing the narrative needed to be able to understand how this fits with the aims of the Food Bill and how it will be implemented.

I am copying this letter to the Chairs of Finance and ETRA committees.

Kind regards,



Peter Fox MS for Monmouth

Member-in-Charge, Food (Wales) Bill