

Paul Davies, MS
Chair of the Economy, Trade and Rural Affairs Committee

Huw Irranca-Davies MS
Chair of the Legislation, Justice & Constitution Committee

Peredur Owen Griffiths MS
Chair of the Finance Committee

9 May 2023

Dear Chairs

Agriculture (Wales) Bill – Stage 3 Explanatory Memorandum update

Ahead of the Stage 3 debate on the Agriculture (Wales) Bill on 16 May. I wish to inform you I have today tabled an updated version of the Explanatory Memorandum (EM) for the Bill. Revisions have been made throughout the EM reflecting the commitments I gave in response to a number of Stage 1 Committee recommendations and to reflect the Bill as amended at Stage 2.

In addition a further update to the EM has been included with the removal of paragraph 7.874 (within the EM as introduced) as we understand it does not reflect Rentokill's current policy.

The EM will be updated to reflect the Bill as amended at Stage 3 and will also include an amendment in response to the WWF petition.

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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.

I thought it would be helpful to provide detail in relation to the following Committee recommendations, so you are assured these have been appropriately dealt with:

Economy, Trade and Rural Affairs Committee (ETRA)

In response to ETRA Committee recommendations 15 and 16 revisions have been made to EM Part 1.

Recommendation 15: Revisions have been made to the narrative text to indicate that there will be an expectation on Ministers to review previous SoNaRR reports if deemed necessary (see Part 1, Chapter 3, paragraph 3.89).

Recommendation 16: Further clarity, where appropriate, by way of additional examples of the varying scope of 'ancillary activities' have been provided within the updated EM (see Part 1, Chapter 3, paragraphs 3.316 to 3.318).

Finance Committee

In response to Finance Committee recommendations, revisions have been made to the narrative text of the EM Part 2 - Regulatory Impact Assessment (RIA).

Recommendation 2: We have added further information relating to the Wales Rural Development Programme elements not included in the RIA at introduction of the Bill (see Part 2, Chapter 7, Paragraphs 7.338 to 7.341).

Recommendation 4: Where possible, additional information has been included for the unquantified costs, and uses previous experience to provide a sensitivity analysis to show the potential range of costs (see Part 2, Chapter 6, Unquantified Costs and Disbenefits table).

As I stated in my response to the Committee 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.

Recommendation 7: As part of the post-implementation review, additional text has been added to the 'next steps' section in order to give further clarity around quantifying the benefits arising from the Bill (see Part 2, Chapter 7, paragraphs 7.623 to 7.625).

Recommendation 8: Further details of the IT development costs have been provided (see Part 2, Chapter 7, paragraph 7.359 and table 44). These costs are estimates based on our initial assessment of options relating to the delivery of the current scheme design proposals.

Legislation, Justice and Constitution Committee (LJC)

In response to LJC Committee recommendations, revisions have been made to the EM Part 1.

Recommendation 6: A number of updates have been made to the Explanatory Memorandum as a means of explaining clearly the purpose of Parts 1, 2 and 3 of the Bill and what each is seeking to achieve (these have been made throughout Part 1, Chapter 3).

Recommendation 8: The Explanatory Memorandum has been reviewed and updated, as appropriate, to provide further clarity on the relationship between Part 1 and Part 2 of the Bill for stakeholders (see Part 1, Chapter 3, paragraph 3.39).

Stage 2 Amendments

Revisions have been made to the EM and Explanatory Notes (EN) to include all amendments made to the Bill following conclusion of Stage 2 ETRA Committee meeting held on 23 March.

SLM first objective: The EM has been updated to reflect the amendment made to the first objective. This highlights the link between the production of food and other goods in a sustainable way, and the resilience of agricultural businesses (see Part 1, Chapter 3, paragraph 3.44 and Explanatory Notes).

Power to Provide support – additional purposes: The EM and RIA have been updated to reflect the amendment made to the list under Section 8, adding in 3 new purposes for which support may be provided (see Part 1, Chapter 3, paragraph 3.102 to 3.118 and also Part 2, Chapter 7, paragraphs 7.575 to 7.622 and Explanatory Notes).

Amendment to Enforcement provisions in Sections 11, 31, 32 and 33: The EM has been updated to reflect the amendments to these sections achieving consistency in drafting throughout the Bill (see Part 1, Chapter 3 and Explanatory Notes).

Changes to the Affirmative Procedure Sections 15-18 and 22: The EM has been updated to reflect the amendments to these sections to state they are made by way of the Affirmative Procedure. The table in Chapter 5 has also been updated to reflect these amendments (see Part 1, Chapter 3 and also Chapter 5, table 5.1).

Agricultural Business definition in Section 48: The EM has been updated to reflect the amendment made to the 'meaning of Agriculture' to include agricultural businesses (See Part 1, Chapter 3, paragraph 3.315).

Schedule 3 commencement of Part 4 of Schedule 7 Agriculture Act 2020 on 13 December 2022: The ENs have been updated to reflect the now obsolete references to the relevant paragraphs.

Regards

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping initial 'L' and a long, trailing flourish at the end.

Lesley Griffiths AS/MS

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