

## Finance Committee

### The Food (Wales) Bill

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

##### Summary

1. The Welsh Government opposes the Food (Wales) Bill on the grounds it is unnecessary, would create bureaucracy and additional cost for numerous public bodies and, most significantly, it would undermine the legislative and governance framework established already in Wales for strategic planning, policy making and long-term action put in place by the Well Being of Future Generations (Wales) Act 2015 (WFG Act).
2. This paper presents general comments about the value for money the Bill would provide if passed, and also specific comments about the cost estimates made in part 2 of the Explanatory Memorandum.

##### Value for money

3. The Explanatory Memorandum only provides two options, 'do nothing' or legislate. There is no examination, even in outline, of alternative options to improve policy making and the co-ordination of policy delivery using the legislative framework which already exists through the WFG Act. The Explanatory Memorandum refers<sup>1</sup> to the Bill being drafted to be consistent with the WFG Act but it does not explore how the framework established by the WFG Act could be used in ways it might not be already, or if aspects of how it is being put into action could be changed, to address the Bill's goals instead. In the absence of considering these alternative non-legislative options it is not possible to fully consider the question of whether the Bill offers value for money compared to the full range of possible alternative options.
4. With regard to the narrower question of the costs of the options presented in the Explanatory Memorandum, passing the Bill as drafted or doing nothing, the Welsh Government's position is the estimated cost is not good value for money. The Explanatory Memorandum presents very conservative cost estimates of between £4,729,250 and £8,584,370<sup>2</sup>. These are new and recurrent costs. I comment further on the detail of the costings but taken at face value these top-line figures would create notable, additional public expenditure without any guarantee of specifically better outcomes for the public. The Bill would create a linked system of target setting, planning at national and local levels, reporting and reviewing. But there is nothing in the Bill or explained in the Explanatory

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<sup>1</sup> Explanatory Memorandum paragraph 148.

<sup>2</sup> Explanatory Memorandum paragraph 325, table 3.

Memorandum that provides categoric assurance about how such activity would specifically improve activities already happening or activities which are not happening but could take place under the current legislative framework. There is risk the duties imposed would simply generate the bureaucracy of a circular system of planning and reporting, distracting public body attention and resource from current and proposed policy, and potentially leading to outputs and outcomes which do not add anything materially additional or different. The situation would be complicated by the creation of the Welsh Food Commission (WFC) with its functions to provide advice, inform, assist, and to provide oversight. The lack of clarity between the WFC's functions and for example the WFG Commissioner and the Food Standards Agency are also risks which could cause wasted effort or unintended outcomes.

### **Cost estimates**

5. The Welsh Government accepts the technical calculations made in part 2 of the Explanatory Memorandum appear to be broadly correct, although we suggest it would be better to use a ten year appraisal period to cover the cost cycle more fully rather than the five year approach adopted<sup>3</sup>. However, the estimates underestimate the work involved and therefore the resource needed. Overall the Welsh Government suggests the Bill would cost considerably more to implement than estimated.
6. The Explanatory Memorandum states it is not possible to quantify savings which arise from the Bill given these will be informed by the content of the national food strategy<sup>4</sup> nor is it possible to estimate the cost savings which arise from work in Welsh Government no longer being needed or benefitting from improved functioning of policy<sup>5</sup>. The Welsh Government contends no savings will arise because it will still be necessary to undertake current and planned policies with all the consequential work which arises within Welsh Government or between Welsh Government teams and stakeholders. A national food strategy will not take the place of detailed policy making and operational plans. We anticipate other public bodies will also need to continue what they currently do without any saving of effort or cost.
7. The costs and benefits of implementing the national strategy and local plans are currently unknown. Given the uncertainty around the detail of those plans, Welsh Government recognises that any attempt to assess the costs and benefits at this stage would carry a high risk of producing inaccurate and potentially misleading estimates. However, we would have expected to see some indication of how value for money considerations will be incorporated into the development of the national strategy and local plans.

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<sup>3</sup> Explanatory Memorandum paragraph 325, table 4

<sup>4</sup> *ibid* (end re 'cost savings' p72).

<sup>5</sup> *Ibid* and paragraph 327.

8. The WFC accounts for most of the estimated costs but only a broad estimate ranging from £0.75m to £1.5m per annum is presented<sup>6</sup>. This is based on estimates for a similar body in Scotland which has not come into operation yet and a high-level comparison of ongoing costs for the existing Welsh Commissioners<sup>7</sup>. These are relevant comparisons but the range of estimated cost reflects the uncertainty around the scale and scope of any new Commission, which would be for agreement between Welsh Government and the Commission chair. The Welsh Government can only conclude the WFC would be a significant additional cost, without any confidence of it creating any savings, and that more certainty about the cost could only be achieved by more detailed assessment of the exact model proposed for the WFC.
9. The cost estimates for the Welsh Government resource to produce the national food strategy and 'deliver related work'<sup>8</sup> (which we interpret to mean discharging functions to create and lay targets in the Senedd, and to establish the WFC and consult with it) fall well short of what would probably be required. The Explanatory Memorandum estimates it would require just three part time officials (a fifth of a Grade 7, a fifth of a Higher Executive Officer, and one day of Deputy Director time) costing £29,170<sup>9</sup>. We note the Explanatory Memorandum has used information from the Scottish Government but our current understanding from Scottish Government is the work of putting the Good Food Nation (Scotland) Act 2022 into action is requiring more staff resource than anticipated. A comparison of the resource required to create proposals for a new strategy for the Welsh food and drink manufacturing and processing industry, and to launch [consultation](#) on that, is instructive. Work commenced in April 2018 to scope policy, shape and test proposals, leading to a consultation document published in July 2019 (approximately 15 months). The work involved these core resources and costs per annum<sup>10</sup>:

Approximately 0.3 Grade 7 - £26,019  
1 full time Senior Executive Officer - £66,364  
1 full time Higher Executive Officer - £52,774  
0.95 Higher Executive Officer - £50,135

(In addition there was support from time to time from communications officials, graphic design, economists, time given by policy teams whose work includes some connection to food policy, and some Deputy Director level input.)

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<sup>6</sup> Explanatory Memorandum paragraph 325, table 4 and paragraph 364 onwards.

<sup>7</sup> Paragraph 365.

<sup>8</sup> Explanatory Memorandum paragraph 374

<sup>9</sup> Ibid and Table 7.1.

<sup>10</sup> Using Welsh Government annual average gross costs for 2022-23.

Using Welsh Government annual average gross costs the project had a notional core cost of £195,292 per annum, amounting to £244,115 over the 15 month period.

10. In addition to the above a significant element of the work to be done will be drafting and laying regulations about the targets<sup>11</sup> by the affirmative procedure. This will require legal resource not taken account of in the Explanatory Memorandum.
11. The Welsh Government makes no comment on the costings estimated for public bodies to implement the national food strategy and making local food plans<sup>12</sup> except to note these are additional costs currently not planned for in the Welsh Government's budget. It is not clear from the Explanatory Memorandum whether the Bill proposer has engaged in detail with public bodies about the cost estimates or how they would be funded.

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**3 February 2023**

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<sup>11</sup> Bill section 4.

<sup>12</sup> Explanatory Memorandum paragraph 387 and Tables 8 and 9.