

GOOD FOOD NATION (SCOTLAND) BILL

FINANCIAL MEMORANDUM

INTRODUCTION

1. As required under Rule 9.3.2 of the Parliament's Standing Orders, this Financial Memorandum is published to accompany the Good Food Nation (Scotland) Bill, introduced in the Scottish Parliament on 7 October 2021.

2. The following other accompanying documents are published separately:

- Explanatory Notes (SP Bill 4-EN);
- a Policy Memorandum (SP Bill 4-PM);
- statements on legislative competence by the Presiding Officer and the Scottish Government (SP Bill 4-LC);
- a Delegated Powers Memorandum (SP Bill 4-DPM).

3. The Policy Memorandum explains in detail the background and the policy intention behind the Bill. This Financial Memorandum has been prepared by the Scottish Government to set out the costs associated with the measures introduced by the Bill. It does not form part of the Bill and has not been endorsed by the Parliament. It should be read in conjunction with the Bill and the other accompanying documents.

BACKGROUND

4. The purpose of the Bill is to provide for the Scottish Ministers and certain other authorities to produce good food nation plans and to make provision as to the effect of those plans, namely that the Scottish Ministers and specified public bodies must have regard to the plans when exercising certain functions.

5. The Bill imposes a duty on the Scottish Ministers to produce a national good food nation plans. The Scottish Ministers are required to have regard to the national plans in the exercise of functions to be specified in secondary legislation.

6. The national good food nation plans required by the Bill must set out:

- the main outcomes in relation to food-related issues which the Scottish Ministers want to be achieved in relation to Scotland;
- indicators or other measures by which progress in achieving the outcomes may be assessed; and

- the policies which the Scottish Ministers intend to pursue in order to secure the achievement of the outcomes.

7. The national good food nation plans may include such other material in relation to food-related issues as the Scottish Ministers consider appropriate. The Scottish Ministers are to have regard, among other things, to the scope for food-related issues to affect outcomes in relation to social and economic wellbeing, the environment, health, and economic development, when determining the content of the national good food nation plans.

8. The Bill requires the Scottish Ministers to have regard to specified articles of certain international instruments when preparing the national good food nation plans; to consult on a draft plans and have regard to the consultation responses; to publish the plans and lay it before the Scottish Parliament; to publish a progress report every two years; and to review the plans every five years and revise the plans as appropriate.

9. The Bill imposes similar duties on health boards, local authorities and other public authorities as may be specified (collectively referred to as “relevant authorities”). Relevant authorities are required to publish a good food nation plans and have regard to that plans when exercising specified functions. They are required to have regard to the Scottish Ministers’ national good food nation plans when preparing their own plans. They are required to consult on a draft of the plans and have regard to the responses; to publish a progress report every two years; and to review the plans every five years and revise the plans as appropriate.

COSTS ON THE SCOTTISH ADMINISTRATION

10. The Bill creates a legislative framework for the preparation of a national good food nation plans and there are no anticipated significant financial implications for the Scottish Administration. There will however be costs incurred in implementing the plans, as these are dependent on the content of the good food nation plans, which is not yet known, it is not yet possible to provide an estimate of these costs. The Bill requires the Scottish Ministers to set out a national good food nation plan. This plan is subject to consultation, and the Scottish Ministers are to have regard to the consultation responses. The Scottish Ministers are to have regard to the national good food nation plans in the exercise of certain functions, which will be specified in secondary legislation. The Scottish Ministers are also required to publish their plans and report on progress every two years to the Scottish Parliament. The reports are to be published. The Scottish Ministers are required to review their plans every 5 years and make revisions as they consider necessary, with any revised plans to be consulted on and published.

11. There are likely to be some administrative costs for the Scottish Government as a result of the Bill, specifically around co-ordination of the plans and also consultation and publication. These are resource costs, the Bill does not result in additional capital costs. Some of the work the Bill necessitates is already being done by existing teams within the Scottish Government and therefore resource is already in place. As the Bill will impose an obligation on the Scottish Government to produce good food nation plans, the costs have been outlined below.

12. Additional staff time will be needed to co-ordinate the development of the national good food nation plans; prepare a draft; manage a consultation process and assessment of responses;

publish the document; and co-ordinate and report on progress every two years. No additional costs are expected for day-to-day work in the co-ordination team or other policy areas to ensure adherence to the plans since there is already strong awareness of ministerial expectations with regard to the Good Food Nation policy.

13. Based on work already being done by Scottish Government officials in relation to co-ordination of the delivery of Good Food Nation policies, average costs for a team leader and junior manager have been used to estimate costs for Scottish Government. Assessment of the required staff resource to develop the first national good food nation plans and deliver related work is 20% of a team leader (total annual salary with on costs is £78,404, 20% of which is £15,681) and 20% of a junior manager (total annual salary with on costs is £37,957, 20% of which is £7,591) in year 1. The total cost is therefore £23,272. Staff costs in subsequent years would average at 5% of the cost of the same team, meaning a cost of £5,818 based on current pay levels plus 3% to reflect a potential pay increase, i.e. a total of £5,993 in year 2, a figure which we estimate might rise each year by 3%.

14. Costs of consultation will depend on the nature of the consultation, e.g. whether it is done online, through public meetings or as part of other consultation exercises, for example consultations concerning the delivery of services more generally. Based on similar exercises carried out by Scottish Government, it is estimated that costs will be in the region of £500 (for a short online consultation) to £5,000 (for a more substantial exercise involving public meetings) plus an estimated £5,000 for a consultation analysis. The total would therefore be £5,500 to £10,000. The main cost will be in year 1 though there may be subsequent consultations if there are changes to the national good food nation plans following its review every 5 years. To account for this, these figures are used to provide an estimate for the recurring cost of consultation every 5 years.

15. Publication costs will depend on the size of the national good food nation plans and subsequent reports to the Scottish Parliament and whether they are published online or paper copies are made available. The expectation is that the plans are likely only to be available online. Based on similar work carried out by the Scottish Government the costs for publication of plans and reports are estimated to be in the region of £500 to £1,000. These costs are expected to be biennial, i.e. for the national good food nation plans and for the report to the Scottish Parliament every two years.

Costs for the Scottish Administration of developing national good food nation plans and consulting, publishing and reporting on these plans				
Year 1				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
	£23,272	£5,500-£10,000	£500-£1,000	£29,272-£34,272
Every other year subsequently				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
	6,173*	N/A	£500- £1,000	£6,673-£7,173
Every fifth year subsequently				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
	£6,549*	£5,500-£10,000	£500-£1,000	£12,549-£17,549

*Anticipate a further increase of 3% for a potential pay increase each year.

COSTS ON LOCAL AUTHORITIES

16. The Bill requires local authorities to set out a good food nation plan. This plan is subject to consultation, and the local authorities are to have regard to the consultation responses. Local authorities are to have regard to the good food nation plans in the exercise of certain functions which will be specified in secondary legislation. Local authorities are also required to publish their plans and report on progress every two years. The reports are to be published. Local authorities are required to review their plans every 5 years and make revisions as they consider necessary.

17. There are likely to be some additional administrative costs for local authorities as a result of the Bill. Resource costs are expected in order to deliver co-ordination, local consultation, publication and awareness raising. There are no capital costs.

18. Additional staff time will be needed to co-ordinate the development of the good food nation plans; prepare a draft; manage a consultation process and assessment of responses; publish the document; raise awareness within local authorities of the need for officers to have regard to the plans in the exercise of certain functions; and co-ordinate and report on progress every two years.

19. The assumption is that the scale of the task is essentially the same regardless of the size of the local authority because they are all providing the same fundamental services. Average costs for a team leader and junior manager have been used to estimate costs for local authorities. Assessment of the required staff resource to develop the first good food nation plans and deliver related work is 20% of a team leader (total annual salary with on costs is £78,404, 20% of which is £15,681) and 20% of a junior manager (total annual salary with on costs is £37,957, 20% of which is £7,591)

in year 1. The total cost is therefore £23,272 per local authority. These costs assume a concentrated effort to produce a plans over a period of around 2 months, with less intensive work thereafter. Staff costs in subsequent years would average at 5% of the cost of the same team, meaning a cost of £5,818 per local authority based on current pay levels plus 3% to reflect a potential pay increase, i.e. a total of £5,993 in year 2, a figure which we estimate might rise each year by 3%.

20. The staff costs for the 32 local authorities would therefore be £744,704 in year 1 and £191,776 in year 2, with an estimated 3% increase each year thereafter.

21. Costs of consultation will depend on the nature of the consultation, e.g. whether it is done online, through public meetings or as part of other consultation exercises, for example consultations concerning the delivery of services more generally. It may also depend on the size and geography of the authority and the extent to which it has already engaged with the Good Food Nation policy. Based on similar exercises carried out by Scottish Government, it is estimated that average costs will be in the region of £500 (for a short online consultation) to £2,500 (for a more substantial exercise involving a public meeting) per local authority plus an estimated average £2,000 for a consultation analysis. The total would therefore be £2,500 to £4,500. The main cost will be in year 1 though there may be subsequent consultations if there are changes to the good food nation plans following review every 5 years. To account for this, the estimated costs for consultation are used for every fifth year subsequently,

22. Publication costs will depend on the size of the good food nation plans and subsequent reports on progress and whether they are published online or paper copies are made available. The expectation is that the plans are likely only to be available online. Based on Scottish Government publication costs, we estimate publication of plans and reports are likely to be in the region of £500 to £1,000 per local authority. These costs are expected to be biennial, i.e. for the good food nation plans and for the report every two years, and so these costs are also used for every other year subsequently.

Costs for local authorities of developing good food nation plans and consulting, publishing and reporting on these plans				
Year 1				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
	£744,704	£80,000-£144,000	£16,000-£32,000	£840,704-£920,704
Every other year subsequently				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
	£197,536*	N/A	£16,000-£32,000	£213,536-£229,536
Every fifth year subsequently				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
	£209,568*	£80,000-£144,000	£16,000-£32,000	£305,568-£385,568

*Anticipate a further increase of 3% for a potential pay increase each year.

23. These estimated costs have been shared with Convention of Scottish Local Authorities (COSLA) officers who indicated that the areas identified where costs would arise seemed appropriate. They have not provided any alternative cost values.

COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES

24. The Bill requires health boards to set out a good food nation plan. This plan is subject to consultation, and health boards are to have regard to the consultation responses. Health boards are to have regard to the good food nation plans in the exercise of certain functions which will be specified by the Scottish Ministers. Health boards are also required to publish their plans and report on progress every two years. The reports are to be published. Health boards are required to review their plans every 5 years and make revisions as they consider necessary.

25. Health boards already have policies in place in order to prepare and publish reports on various matters relating to food and nutrition in hospitals including, for example, issues surrounding procurement; provision of food for patients, staff and visitors; food waste management and training. This work can be expanded to incorporate the requirements under the Bill, using existing resources including staff. The Bill will not require significant additional activity by the health boards and any new costs are considered to be negligible.

26. The position with regard to health boards was reached in liaison with Scottish Government Health Finance.

27. There are no costs on other bodies, individuals and businesses arising from the provisions of the Bill.

SUMMARY OF COSTS ARISING FROM THE BILL

28. Total costs for the Bill can be summarised as follows:

Costs for developing good food nation plans and consulting, publishing and reporting on these plans				
Year 1				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
Scottish Administration	£23,272	£5,500-£10,000	£500-£1,000	£29,272-£34,272
Local authorities	£744,704	£80,000-£144,000	£16,000-£32,000	£840,704-£920,704
Total				£869,976-£954,976
Every other year subsequently				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
Scottish Administration	£6,173	N/A	£500- £1,000	£6,673-£7,173
Local authorities	£197,536	N/A	£16,000-£32,000	£213,536-£229,536
Total				£220,209-£236,709
Every fifth year subsequently				
	Staff resource	Consultation (range)	Publication (range)	Total (range)
Scottish Administration	£6,549	£5,500-£10,000	£500-£1,000	£12,549-£17,549
Local authorities	£209,568	£80,000-£144,000	£16,000-£32,000	£305,568-£385,568
Total				£318,117-£403,117

This document relates to the Good Food Nation (Scotland) Bill (SP Bill 4) as introduced in the Scottish Parliament on 7 October 2021

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