

Child Poverty (Scotland) Bill

Delegated Powers Memorandum

Introduction

1. This memorandum has been prepared by the Scottish Government in accordance with Rule 9.4A of the Parliament's Standing Orders, in relation to the Child Poverty (Scotland) Bill ("the Bill"). It describes the purpose of each of the subordinate legislation provisions in the Bill and outlines the reasons for seeking the proposed powers. This memorandum should be read in conjunction with the Explanatory Notes and Policy Memorandum for the Bill.

2. The contents of this memorandum are entirely the responsibility of the Scottish Government and have not been endorsed by the Scottish Parliament.

Outline of Bill provisions

3. The Bill consists of 13 sections. The Bill's provisions set out a statutory framework to underpin the Scottish Government's ambition to tackle child poverty. Specifically, the Bill:

- Sets out four statutory income targets, to be met in the financial year 2030/31:
 - Less than 10% of children are in relative poverty
 - Less than 5% of children are in absolute poverty
 - Less than 5% of children are in combined low income and material deprivation
 - Less than 5% of children are in persistent poverty

This document relates to the Child Poverty (Scotland) Bill (SP Bill 6) as introduced in the Scottish Parliament on 9 February 2017

- Places a duty on Scottish Ministers to publish Child Poverty Delivery Plans, with the first plan covering the 3 year period from 1 April 2018 and two further plans each covering a 5 year period, and to report on those Plans annually
- Places a duty on local authorities and health boards to report annually on activity they are taking to reduce child poverty.

4. Further information about the Bill's provisions is contained in the Explanatory Notes and Financial Memorandum published separately as SP Bill 6, and in the Policy Memorandum published separately as SP Bill 6.

Rationale for subordinate legislation

5. The Bill contains one subordinate legislation making power, described in more detail below.

6. In deciding whether legislative provisions should be specified on the face of the Bill or left to subordinate legislation, the Scottish Government has had regard to:

- the need to make proper use of valuable Parliamentary time;
- the need to provide the flexibility to respond to changing circumstances without the need for further primary legislation; and

7. The need to anticipate the unexpected, which might otherwise frustrate the purpose of the provision in primary legislation approved by Parliament.

This document relates to the Child Poverty (Scotland) Bill (SP Bill 6) as introduced in the Scottish Parliament on 9 February 2017

Delegated Powers

Section 3 – Absolute poverty

Power conferred on: the Scottish Ministers

Power exercisable by: regulations made by Scottish statutory instrument

Parliamentary procedure: negative

Provision

8. Section 3(2) allows the Scottish Ministers to make Regulations specifying a change to the base year for the absolute poverty target. Section 3(3) states that these Regulations are subject to the negative procedure.

Reason for taking power

9. Absolute poverty is a measure of whether the incomes of the lowest income households are keeping pace with inflation. The absolute poverty threshold is fixed at the base year. This is the year from which the target measures whether incomes are higher or lower than at some point in the future. In the base year, relative and absolute poverty thresholds will be the same.

10. The baseline for the absolute poverty measure is currently the financial year beginning on 1 April 2010. The reason for this is to allow a ten year comparison between the base year and the 2020 target year which was originally set out in the Child Poverty Act 2010. As the Bill sets out that the Scottish Government is moving towards 2030 targets, it is therefore likely that in the future the base year will need to be changed to 2020. This power is therefore only intended to be exercised once.

11. The rationale for updating the absolute poverty base line is to ensure that the absolute poverty measure is consistent with contemporary living standards. The base line needs to cover a relevant time frame with which to measure whether incomes are increasing or not. A ten year reference period allows analysis of change over a period of time long enough to reasonably see progress. If the base year is too far back in time (for example twenty years or more), the measure loses meaning as the reference period is no longer relevant.

12. The rationale for taking this power is that, because of the way absolute poverty is measured, the base year will need to be adjusted as we

This document relates to the Child Poverty (Scotland) Bill (SP Bill 6) as introduced in the Scottish Parliament on 9 February 2017

move towards the 2030 target date. The power will provide the necessary flexibility to modify the base year in the future. It would not be effective use of Parliament's time for this change (to ensure the economic relevance of the base year) to have to be made by primary legislation.

Choice of procedure

13. Any change in the base year for measuring absolute poverty is considered a methodological change (as was seen in the 2011/12 poverty estimates for Scotland following the previous change in the absolute poverty base year¹). A change to the base year in estimating absolute poverty is a re-classification of 'absolute low income'. Changing the base year does not change the measure as such, but is necessary to maintain the relevance of the measure. The negative procedure is therefore considered appropriate.

¹<http://www.gov.scot/Publications/2013/06/2493>;
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/200691/statistical_notice_16_05_2013.pdf

This document relates to the Child Poverty (Scotland) Bill (SP Bill 6) as introduced in the Scottish Parliament on 9 February 2017

Child Poverty (Scotland) Bill

Delegated Powers Memorandum

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.parliament.scot

Produced and published in Scotland by the Scottish Parliamentary Corporate Body.

All documents are available on the Scottish Parliament website at: www.parliament.scot/documents