

This document relates to the Scottish National Investment Bank Bill as amended at Stage 2 (SP Bill 43A)

Scottish National Investment Bank Bill

[As Amended at Stage 2]

Supplementary Delegated Powers Memorandum

Introduction

1. This supplementary Memorandum has been prepared by the Scottish Government in accordance with Rule 9.7.10 of the Parliament's Standing Orders, in relation to the Scottish National Investment Bank Bill as amended at Stage 2. It describes the purpose of the direction-making power in the Bill and outlines the reasons for seeking it.
2. This Memorandum should be read in conjunction with the revised Explanatory Notes and the Policy Memorandum¹ for the Bill.
3. The contents of this Memorandum are entirely the responsibility of the Scottish Government and have not been endorsed by the Scottish Parliament.

Delegated power added at Stage 2

Section 14A – Fair work direction

Power conferred on: the Scottish Ministers

Power exercisable by: direction

Parliamentary procedure: no procedure

Provision

4. Section 14A requires that the Scottish Ministers issue a direction about fair work to the Scottish National Investment Bank and obliges the Bank to comply with that direction. The direction is to set out that the Bank

¹ https://www.parliament.scot/S5_Bills/Scottish%20National%20Investment%20Bank%20Bill/SPBill43PMS052019.pdf

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must promote fair work, and is to define what “fair work” means for the direction’s purposes. The direction may also include any other provision about the Bank’s promotion of fair work that the Scottish Ministers consider appropriate.

Reason for taking power

5. Rapidity of change in business practices, and societal expectations, means that it is important to have flexibility in defining what constitutes fair work and in directing how the Bank is to promote it. A similar power to issue fair work directions has recently been enacted by the Parliament in the form of section 18 of the South of Scotland Enterprise Act 2019.² Addressing the Bank’s role in relation to the promotion of fair work through a direction-making power affords the flexibility needed to keep it aligned with the Government’s Fair Work Action plan³ and joined up with the efforts of other bodies across the public sector landscape, including South of Scotland Enterprise, Highlands and Islands Enterprise and Scottish Enterprise.

Choice of procedure

6. As is usual for direction-making powers, the exercise of the power conferred by section 14A will be subject to no parliamentary procedure. The Government considers that publishing the direction once made will provide sufficient opportunity for scrutiny of it by the public and the Parliament. This is consistent with the approach recently agreed to by the Parliament in the context of the Bill for the South of Scotland Enterprise Act 2019.

² <http://www.legislation.gov.uk/asp/2019/9/section/18/enacted>

³ <https://economicactionplan.mygov.scot/fair-work/>

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