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Mr Euan Donald  
Clerk to the Delegated Powers and Law Reform  
Committee  
Room T1.01  
Scottish Parliament

21 March 2017

Dear Mr Donald

Thank you for your letter of 7 March 2017 regarding the Delegated Powers and Law Reform Committee's consideration of the above Bill. Please find below responses to the matters raised in your letter.

**Section 3(2) provides that the Scottish Ministers may by regulations change the base date mentioned for the time being in subsection (1) of that section (currently financial year beginning 1st April 2010) for the absolute poverty target.**

**Please explain why, instead of this regulation-making power, section 3 of the Bill itself could not have expressed the 1st April 2010 baseline date to apply until 31st March 2020 and thereafter to change automatically to 1st April 2020 for the 10-year period leading to the target date of 1st April 2030.**

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. If the base year is too far back in time, the measure loses meaning as the reference period is no longer relevant.

The Scottish Government and the Department for Work and Pensions (DWP) have worked to ensure consistent methodologies in the estimation of poverty rates in Scotland and the UK. This means that we have directly comparable statistics between the component parts of the UK, and between Scotland and the UK as a whole. This comparability is an important element in understanding changes in poverty over time, and in understanding the causes of poverty.

Ideally, that consistency would be maintained, and both Scottish Government and the DWP would in future change the base year to 2020/21.

However, there is a minor risk that DWP would not choose to do so. Scottish Ministers would then need to decide whether it was appropriate to set a base year for Scotland at 2020/21, or whether it would be preferable to maintain consistency with DWP methodology to allow comparison as described above.

There is also a slight possibility that specific factors at the time mean that 2020/21 is not an appropriate choice for a base year (for example if it is not a typical year for some reason).

Scottish Ministers therefore require the flexibility to specify a different base year for measuring absolute poverty that is relevant to Scotland and reflects the contemporary living standards in Scotland.

**Section 3(3) provides that the power to make regulations in section 3(2) is subject to the negative procedure. The Delegated Powers Memorandum indicates that the current baseline date of 1st April 2010 is set to allow a ten year period for comparison between that base year and the 2020 target year which was originally set out in the UK Child Poverty Act 2010. It also explains that it is likely that the future baseline date will need to be changed to 2020 to reflect the move towards a target date in 2030. The Memorandum also indicates that it is the Scottish Government's intention that the regulation-making power would only be exercised once.**

**In light of the stated intention that the power to make regulations would be made as a consequence of a 10-year comparison between equivalised net household incomes, would it not be more appropriate that, if a power to make regulations is necessary, it is subject to the affirmative procedure rather than the negative procedure, to ensure that the Parliament can exercise an enhanced level of control over the setting of the baseline date for absolute poverty?**

As set out in the Delegated Powers Memorandum, any change to the base year would be considered a methodological change, aimed at maintaining the relevance of the measure, and does not in the Scottish Government's view merit the affirmative procedure. However, we note the Committee's comments on the appropriateness of the procedure. We will take full account of these comments along with any other recommendations made at Stage 1.

I trust that this information is satisfactory. Please do not hesitate to contact us if you require any further clarification.

Yours sincerely

**Gillian Cross**

Child Poverty (Scotland) Bill Team Leader

