



T: 0300 244 4000  
E: [scottish.ministers@gov.scot](mailto:scottish.ministers@gov.scot)

Sandra White  
Convener  
Social Security Committee

[SocialSecurityCommittee@parliament.scot](mailto:SocialSecurityCommittee@parliament.scot)

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Dear Sandra,

Ahead of stage 3 of the Child Poverty (Scotland) Bill, I would like to share with the Committee my proposals for ensuring that a Poverty and Inequality Commission with a wide remit is established in statute.

As the Committee is aware, the Scottish Government's vision is for a Poverty and Inequality Commission with a wide-ranging remit. Specifically, it would have three key roles:

- A role in providing independent advice to Scottish Ministers and scrutinising how governmental budgets, policy and practice can have the strongest impacts on poverty and inequality. This is to include a strong initial focus on child poverty, providing advice during the development of the first delivery plan to be prepared under the Child Poverty (Scotland) Act 2017 (once enacted).
- A scrutiny role in monitoring progress towards tackling poverty and inequality and openly holding Scottish Ministers to account on their progress.
- An advocacy role; for example, it will be able to work with business and wider civic society to promote the importance of particular issues where resources allow.

Following the amendments lodged by Adam Tomkins at Stage 2, a Commission is to be established under the Bill. However, that Commission has specific child poverty functions, and cannot fulfil the wider remit set out above, which I understand Committee members and stakeholders support. Responding to Stage 2 proceedings, Oxfam Scotland said:

*"As recognised by Committee members, it is essential that alongside scrutiny of the child poverty targets, the new Poverty and Inequality Commission must also have a wider focus on poverty and inequality because these challenges are so deeply linked."*

*"We must avoid a situation in which we have a Poverty and Inequality Commission in statute but which in practice is a body focused narrowly on child poverty. We therefore welcome the desire for Committee members to have further discussions with the Cabinet Secretary for Equalities before this Bill is finalised."*

Since Stage 2, the Scottish Government has therefore been exploring options for delivering a statutory Commission with the wide remit that was supported by stakeholders. That cannot be done by amending the Bill at Stage 3, as amendments are restricted by the scope of the Bill and can only relate to child poverty matters.

I therefore will shortly bring forward an Order under the Public Services Reform (Scotland) Act 2010, to establish a wider remit for the Commission.

The key purpose of the Order will be to expand the functions of the statutory Commission. The new functions are in line with those of the current Commission, set out in the position paper, as well as the functions that the Child Poverty (Scotland) Bill will require. It will also increase the minimum and maximum number of Commission members from those set out in the Bill (currently a Chair and at least 2 but no more than 4 other members). This is in recognition of the broader remit, and more closely reflects the membership of the current number of appointments. Finally, it will amend the experience and knowledge provisions set out in the Bill, to ensure that the Commission as a whole is required to have skills and knowledge related to poverty and inequality, rather than just child poverty.

A PSR Order provides Parliament with a clear role in approving the revised functions of a statutory Commission, due to the enhanced scrutiny attached to the procedure for such an Order. The process is that the Order must be laid in draft before Parliament for a consultation period of 60 days, before it can be lodged for approval by the affirmative procedure. Any changes made as a result of the consultation must be detailed in the explanatory document associated with the draft Order.

The draft Order would come into force on 1 July 2019. This is the day after the appointments to the current, non-statutory Commission contracts are due to come to an end so would ensure no break in service and allow time for the new Commission to be appointed.

This ensures the current Commission is able to proceed on the basis set out in the position paper I provided to Committee earlier this year and will ensure Ministers receive the Commission's advice on the first delivery plan and on the matters to be included in the first progress report, to be prepared by 30 June 2019.

In developing this draft Order, I have taken into account the contributions made during the Child Poverty (Scotland) Bill Stage 1 and Stage 2 proceedings, and the clear will of Parliament for a Commission with both a statutory footing and a broad remit. The proposals set out here are a pragmatic, sensible way of achieving that in a short timescale without any break in service between the current Commission and a new, statutory one.

My officials have also held discussions on the approach with key stakeholders, including Douglas Hamilton, Chair of current Poverty and Inequality Commission, Oxfam Scotland, the Poverty Alliance, and the Child Poverty Action Group Scotland.

I intend to lay the draft Order for consultation as soon as possible, and will notify the Committee when I have done so. In addition, I will seek to amend the Bill to reflect that intention.

I trust that this information is helpful to Committee.

Kind regards



**ANGELA CONSTANCE**