



# Child Poverty Act 2010

## 2010 CHAPTER 9

### PART 1

#### NATIONAL TARGETS, STRATEGIES AND REPORTS

##### *Targets relating to child poverty*

#### **1 The 2010 target**

- (1) The Secretary of State must, as soon as reasonably practicable after the end of the 2010 target year and in any event not later than 30 June 2012, lay before Parliament a report on whether the 2010 target has been met.
- (2) The 2010 target is that in the financial year beginning with 1 April 2010, 1.7 million children or fewer live in qualifying households in the United Kingdom that fell within the relevant income group for the purposes of section 3 (the relative low income target).
- (3) The report must be based on statistics that the Statistics Board has designated under section 12 of the Statistics and Registration Service Act 2007 (assessment) as National Statistics.
- (4) Whether the target has been met in relation to the 2010 target year is to be determined by reference to the statistics.
- (5) If the target has not been met, the report must explain why it has not been met.
- (6) The 2010 target year is the financial year beginning with 1 April 2010.

#### **2 Duty of Secretary of State to ensure that targets in sections 3 to 6 are met**

- (1) It is the duty of the Secretary of State to ensure that the following targets are met in relation to the United Kingdom in relation to the target year—
  - (a) the relative low income target in section 3,
  - (b) the combined low income and material deprivation target in section 4,

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*Status: This is the original version (as it was originally enacted).*

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- (c) the absolute low income target in section 5, and
- (d) the persistent poverty target in section 6.

(2) The target year is the financial year beginning with 1 April 2020.

### **3 The relative low income target**

- (1) The relative low income target is that less than 10% of children who live in qualifying households live in households that fall within the relevant income group.
- (2) For the purposes of this section, a household falls within the relevant income group, in relation to a financial year, if its equivalised net income for the financial year is less than 60% of median equivalised net household income for the financial year.

### **4 The combined low income and material deprivation target**

- (1) The combined low income and material deprivation target is that less than 5% of children who live in qualifying households—
  - (a) live in households that fall within the relevant income group, and
  - (b) experience material deprivation.
- (2) For the purposes of subsection (1)(a), a household falls within the relevant income group, in relation to a financial year, if its equivalised net income for the financial year is less than 70% of median equivalised net household income for the financial year.
- (3) Regulations must specify the circumstances in which a child is to be regarded for the purposes of subsection (1)(b) as experiencing material deprivation in a financial year.

### **5 The absolute low income target**

- (1) The absolute low income target is that less than 5% of children who live in qualifying households live in households falling within the relevant income group.
- (2) For the purposes of this section, a household falls within the relevant income group, in relation to a financial year, if its equivalised net income for the financial year is less than 60% of the adjusted base amount.
- (3) “The adjusted base amount”, in relation to a financial year, is the base amount adjusted in a prescribed manner to take account of changes in the value of money since the base year.
- (4) In this section—
  - “the base amount” means the amount of median equivalised net household income for the base year;
  - “the base year” means the financial year beginning with 1 April 2010.

### **6 The persistent poverty target**

- (1) In relation to a financial year (“the relevant financial year”), the persistent poverty target is that less than the target percentage of children who have lived in qualifying households during each of the survey years have lived in households that have been within the relevant income group in at least 3 of the survey years.
- (2) The survey years are—

- (a) the calendar year that ends in the relevant financial year, and
  - (b) the 3 previous calendar years.
- (3) For the purposes of this section, the target percentage is a percentage to be prescribed by regulations made before 2015.
- (4) For the purposes of this section, a household falls within the relevant income group, in relation to a calendar year, if its equivalised net income for the year is less than 60% of median equivalised net household income for the year.
- (5) Instead of exercising the power conferred by subsection (3), the Secretary of State may by regulations amend this section so as to substitute a different persistent poverty target for that set out in subsections (1) to (4).
- (6) Regulations under subsection (5) may only be made—
- (a) before 2015, and
  - (b) with the consent of the Commission.

## **7 Interpretation of terms used in relation to targets**

- (1) Regulations may for the purposes of this Part make provision about the following—
- (a) what is a qualifying household;
  - (b) the circumstances in which a child is or is not to be regarded as living in a qualifying household;
  - (c) what is to be regarded as the income of a household for a financial year;
  - (d) what deductions are to be made in calculating the net income of a household;
  - (e) how net household income is to be equivalised.
- (2) The deductions prescribed under subsection (1)(d) are not to include housing costs, but regulations under that provision may provide that specified expenses are not to be treated as housing costs.
- (3) In this Part “equivalised”, in relation to household income, means adjusted to take account of variations in household size and composition.
- (4) In making regulations under subsection (1)(a), the Secretary of State must have regard to the desirability of ensuring that the targets in sections 3 to 6 have as wide an application as is reasonably practicable, having regard to the statistical surveys that are being or can reasonably be expected to be undertaken.