

*These notes refer to the Child Poverty Act 2010 (c.9)
which received Royal Assent on 25 March 2010*

CHILD POVERTY ACT

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes relate to the Child Poverty Act which received Royal Assent on 25 March 2010. They have been prepared by the Child Poverty Unit, a cross-departmental unit of officials from the Department for Children, Schools and Families (DCSF), the Department for Work and Pensions (DWP), and Her Majesty's Treasury (HMT), in order to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by Parliament.

2. The Notes need to be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a section, or part of a section, does not seem to require any explanation or comment, none is given.

BACKGROUND

3. An account of the policy initiatives introduced to tackle child poverty can be found in *Ending Child Poverty: Everybody's Business* (HMT, DWP, DCSF, 2008). In December 2003, the Government published *Measuring Child Poverty* (DWP, 2003) which set out a framework for measuring child poverty based on three measures: relative low income; absolute low income; and combined low income and material deprivation. The Government monitors child poverty against these three measures with a target attached to the relative low income measure of halving the number of children in poverty by the financial year 2010, and of seeking to eradicate child poverty by 2020 (Public Service Agreement 9). Public Service Agreements detail the aims and objectives of UK government departments for a three-year period. There is, however, no statutory basis for this target and until now there has been no statutory duty on the Government to make progress against any of the child poverty measures.

4. In January 2009, the Government published the consultation document *Ending Child Poverty: Making It Happen* (HMT, DWP, DCSF, 2009). A summary of the consultation responses has been published.

5. In the 2009 Pre-Budget Report, the Government announced that it would extend free school meals to primary school pupils in working families with an income of up to £16,190 in England from September 2010.

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SUMMARY

6. The purpose of the Act is to define success in eradicating child poverty and create a framework to monitor progress at a national and local level. In summary, the Act:

- places a duty on the Secretary of State to lay before Parliament a report on whether the 2010 target has been met. The 2010 target is set out in section 1(2) and corresponds to that in Public Service Agreement 9;
- places a duty on the Secretary of State to meet four United Kingdom-wide income poverty targets by the end of the financial year 2020;
- places a duty on the Secretary of State to publish a child poverty strategy evaluating progress towards the four income targets and setting out future action. The strategy, which is to be revised every three years, may make reference to measures which the devolved administrations propose to take to tackle child poverty;
- places a duty on the Scottish Ministers to prepare a child poverty strategy through to 2020, to be revised at three year intervals. This Scottish strategy will relate only to devolved matters. Scottish Ministers are also required to report annually on how measures taken in accordance with the current Scottish strategy have contributed to meeting the four income targets and to ensuring that children in Scotland do not experience socio-economic disadvantage;
- places a duty on the relevant Northern Ireland department (which is the Office of the First Minister and Deputy First Minister: see section 18(1)) to prepare a child poverty strategy through to 2020, to be revised at three year intervals. This Northern Ireland strategy will relate only to devolved matters. The relevant Northern Ireland department is also required to report annually on how measures taken in accordance with the current Northern Ireland strategy have contributed to meeting the four income targets and to ensuring that children in Northern Ireland do not experience socio-economic disadvantage;
- establishes the Child Poverty Commission which will provide advice that the Secretary of State, the Scottish Ministers and relevant Northern Ireland department must have regard to when preparing their respective child poverty strategies. The Commission will also provide advice to the Secretary of State at other times if so requested;
- places a duty on the Secretary of State to report annually on progress made towards meeting the four income targets and the measures specified in the United Kingdom child poverty strategy;
- requires the annual report relating to the financial year 2020 to include a

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statement as to whether or not the targets have been met and give reasons why any target has not been met;

- requires the Government to ensure that the targets, once met, are met in later financial years, or to make provision about how to meet them if the targets have not been met by the financial year 2020 or any later specified year;
- places a duty on local authorities and their partners to co-operate to tackle child poverty in their area, to carry out an assessment of the levels of child poverty in that area, and to prepare a joint local child poverty strategy; and
- amends section 4 of the Local Government Act 2000 to require local authorities in England to have regard to the arrangements they have made to co-operate with their partners to reduce child poverty in their area, their local child poverty needs assessment and their joint child poverty strategy when preparing their Sustainable Community Strategy.
- enables an order under section 512ZB of the Education Act 1996 to provide for free school lunches and milk to be provided to prescribed school children whose parents are entitled to a prescribed social security benefit without extending the same entitlement to other school children within the same family.

TERRITORIAL EXTENT

7. In general, Part 1 of the Act extends to England and Wales, Scotland and Northern Ireland. However, section 11 (relating to strategies prepared by the Scottish Ministers) extends to Scotland only and section 12 (relating to strategies prepared by the relevant Northern Ireland department) extends to Northern Ireland only. Part 2 of the Act extends to England and Wales, but applies only to local authority areas in England. Section 26 extends to England and Wales only.

COMMENTARY ON SECTIONS AND SCHEDULES

Part 1 – National Targets, Strategies and Reports (Sections 1 to 18)

Section 1: The 2010 target

8. *Section 1* places a duty on the Secretary of State to lay before Parliament a report on whether the 2010 target has been met. The report must be laid as soon as reasonably practicable after the end of the 2010 target year (that is, the financial year beginning with 1 April 2010) and no later than 30 June 2012 (*subsection (1)*). If the 2010 target has not been met the report must explain why this is the case (*subsection (5)*).

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9. The 2010 target corresponds to that set out in Public Service Agreement 9, to halve child poverty in the UK in relation to a 1998/99 baseline so that 1.7 million children or fewer live in qualifying households falling within the relevant income group for the purposes of section 3 (*subsection (2)*).

Section 2: Duty of Secretary of State to ensure that targets are met

10. *Section 2* places a duty on the Secretary of State to ensure that the targets in sections 3 to 6, relating to relative low income, combined low income and material deprivation, absolute low income and persistent poverty, are met in relation to the target year. The targets apply to the whole of the United Kingdom.

11. *Subsection (2)* defines the target year as the financial year beginning on 1 April 2020.

12. The child poverty targets are defined in the Act in such a way that success can be measured by Government analysis of statistical surveys. Currently, data for the relative low income, combined low income and material deprivation, and absolute poverty targets is taken from the Households Below Average Income dataset that is derived from the Department for Work and Pensions' Family Resources Survey. The Family Resources Survey collects income data from a representative sample of UK households each year. Data relating to the persistent poverty target will be derived from a new survey *Understanding Society* to be undertaken by the University of Essex on behalf of the Economic and Social Research Council. This survey will work on a similar basis to the current survey used to measure persistent poverty, the British Household Panel Survey, which follows the same households over a number of years.

13. Sections 3 to 6 refer to “qualifying households” and “equivalised income”. “Qualifying household” is likely to be defined in regulations in line with households which are covered by the survey, according to the rules the surveys use to sample households. “Equivalised income” refers to the adjustment of household incomes according to the number of adults, and number and age of children, in each household. This is to take account of the fact that a family of several people requires more income than a single person, in order for both households to enjoy a comparable standard of living. The paragraphs below relating to section 7 explain that the definitions of these and other technical terms underpinning the child poverty targets will be set out in regulations.

Section 3: The relative low income target

14. *Section 3* sets the relative low income target. This target relates to children who live in households that have low incomes compared to the rest of society. This measure of poverty was agreed as part of the 2003 Department of Work and Pensions consultation, *Measuring Child Poverty*. The target is that less than 10% of children living in qualifying households live in households that have an equivalised net income below 60% of median equivalised net household income.

Section 4: The combined low income and material deprivation target

15. *Section 4* sets the combined low income and material deprivation target. The target is that less than 5% of children who live in qualifying households live in households that have an equivalised net income below 70% of median equivalised household income before housing costs *and* experience material deprivation. This target focuses on those children who live in households that experience both a low

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income and a low standard of living, meaning that they are experiencing the effects of living in poverty.

16. Children are materially deprived if they live in households that cannot afford a range of basic activities, such as school trips for the children, or celebrations on special occasions, or if they cannot afford basic material goods, such as fuel to keep their home warm. A child experiencing material deprivation may therefore lack many of the experiences and opportunities that other children take for granted, and can be exposed to severe hardship and social exclusion.

17. *Subsection (3)* imposes on the Secretary of State a duty to make regulations setting out the circumstances in which a child would be regarded as experiencing material deprivation in a particular year. These circumstances might include the household in which the child lives being unable to afford particular goods or services.

18. The regulation-making power will enable the Government to establish what is meant by “material deprivation” and to update this definition over time to ensure that the combined low income and material deprivation target continues to reflect contemporary living standards. Experts consulted by the Child Poverty Unit have advised that such adjustments may be needed. This power is subject to the affirmative resolution procedure.

Section 5: The absolute low income target

19. *Section 5* sets the absolute low income target. The target is that less than 5% of children who live in qualifying households live in households that have an equivalised net income for the financial year below 60% of median income in the financial year beginning with 1 April 2010, up-rated annually in line with inflation. Many respondents to the consultation *Ending Child Poverty: Making it Happen* indicated that it was important for the Act to include an absolute low income target.

20. *Subsection (3)* provides a regulation-making power to set the calculation for up-rating the base amount annually, taking into account changes in prices. The regulations are likely to refer to the Retail Price Index. This regulation-making power is subject to the negative resolution procedure.

Section 6: The persistent poverty target

21. *Section 6* sets the persistent poverty target. This target relates to the percentage of children living in households whose equivalised net income has been less than 60% of median equivalised net household income for at least three out of the past four years. The target is included because longer periods in poverty can have a significant detrimental impact on children’s experiences and life chances. Research shows that children who live in persistent poverty are likely to be at risk of worse outcomes than

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those who live in temporary poverty, for example, being suspended or expelled from school (11% compared to 6%) or living in bad housing (48% compared to 33%).¹

¹ *The Circumstances of Persistently Poor Children: Evidence from the Families and Children Study*, DWP Research Report 487, 2008

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22. *Subsection (3)* provides for the target percentage to be set by regulations which must be made before 2015. The target level cannot be set in primary legislation because the required data is not yet available. As stated in paragraph 12, data will be derived from the new survey *Understanding Society*. The Government expects that sufficient data will be available before 2015.

23. *Subsection (5)* provides that, instead of exercising the regulation-making power provided in subsection (3) to set a target percentage relating to persistent poverty, the Secretary of State may instead substitute a different persistent poverty target.

24. *Subsection (6)* provides that regulations under subsection (5) may only be made before 2015 and with the consent of the Commission.

Section 7: Interpretation of terms used in relation to targets

25. *Section 7* enables provision to be made for a number of technical terms underpinning the child poverty targets in this Part of the Act to be defined in regulations. Powers to make regulations under this section are subject to the affirmative resolution procedure.

26. As noted above, the child poverty targets are defined in the Act in such a way that success can be measured by Government analysis of two statistical surveys, the Family Resources Survey and *Understanding Society*. If survey methodologies improve with regard to measuring income and poverty for children, and these improvements are incorporated into these surveys, it will be necessary to amend the definitions used for the child poverty targets in the Act so that they match the definitions used in the survey. This would ensure that the survey is still able to measure success against the targets as defined in the Act. If no such regulation-making powers were conferred, and the survey methodology changed, the survey could not be used to measure success against the targets.

27. These powers will also ensure that if the way in which income is defined for the relevant survey statistics changes in response to research or methodological evidence, these changes can be reflected in the definitions used in the Act.

28. *Subsection (1)(a)* provides a power to set out in regulations the definition of a “qualifying household” for the purposes of the child poverty targets. Qualifying households are likely to be defined according to the rules the surveys use to sample households.

29. *Subsection (1)(b)* provides a power to define the circumstances in which a child is or is not to be regarded as living in a qualifying household. This would cover, for example, situations where a child spends time living in different households.

30. *Subsection (1)(c)* provides a power to set out in regulations what is to be regarded as the income of a household for the financial year for the purposes of the

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targets. This power is likely to be used to set out how different types of income from different family members are to be treated, and how the income data collected is to relate to a financial year.

31. *Subsection (1)(d)* provides a power to make provision about what deductions are to be made from a household's income in calculating its net income. *Subsection (2)* provides that any deductions prescribed under regulations made under *subsection (1)(d)* must not include housing costs, but regulations made under that subsection may provide that specified expenses are not to be treated as housing costs.

32. *Subsection (1)(e)* provides a power to set out in regulations how household income is to be equivalised. Income is equivalised using equivalence scales, which reflect the extent to which households of different size and composition require a different level of income to achieve the same standard of living. There are a number of different scales that could be used and the intention is that regulations under this power will set out the equivalence scale to be used for the purpose of calculating household income under the Act.

33. *Subsection (4)* provides that when making regulations under *subsection (1)(a)* the Secretary of State must ensure that the targets cover as many children in the UK as possible, having regard to the surveys that are being or can reasonably be expected to be undertaken to measure child poverty. For example, this would ensure that regulations made under this section would reflect any improvements in survey methodologies which extend the coverage of the survey.

Section 8: The Child Poverty Commission

34. *Section 8* establishes the Child Poverty Commission. Details about the Commission are set out in Schedule 1.

35. *Subsection (4)* provides that the Secretary of State may make an order abolishing the Commission at any point after the end of the target year. This power will be used if the Government considers that there is no longer any role for the Commission. The order-making power is subject to the affirmative resolution procedure.

36. *Subsections (5) and (6)* allow an order abolishing the Commission to include any necessary transitional arrangements and to repeal the various provisions of the Act relating to the Commission as well as any other statutory references to this body.

Section 9: UK strategies

37. *Section 9 (subsection (1))* places a duty on the Secretary of State to publish and lay before Parliament a UK child poverty strategy, within 12 months of Royal Assent.

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38. *Subsection (2)(a)* provides that a UK strategy must set out the measures that the Secretary of State proposes to take in order to comply with the duty in section 2 to meet the targets (in sections 3 to 6). *Subsection (2)(b)* provides that the strategy must also set out measures to be taken to ensure as far as possible that children in the UK do not experience socio-economic disadvantage.

39. *Subsection (3)* concerns the contribution of the devolved administrations to the UK strategy. It provides that the UK strategy may refer to proposals made by the devolved administrations.

40. *Subsection (4)* requires that before the end of the period to which a UK strategy relates, the Secretary of State must review the strategy and publish and lay before Parliament a revised UK strategy. Strategies must be published every 3 years; however, there is no requirement to publish revised strategies after the beginning of the target year.

41. *Subsection (5)* provides that in preparing a UK strategy the Secretary of State must consider whether measures ought to be taken in relation to the main areas of policy for tackling child poverty. They are: parental employment and skills; financial support; provision of information, advice and assistance to parents and promotion of parenting skills; physical and mental health, education and social services; and housing, the built and natural environment and the promotion of social inclusion.

42. *Subsection (6)* provides that in preparing a UK strategy the Secretary of State must consider which groups of children in the UK appear to be disproportionately affected by socio-economic disadvantage, and to consider the likely impact of any proposed measures in the policy areas listed in *subsection (5)* on children within these groups.

43. *Subsection (7)* concerns the required content of the strategy. *Subsection (7)(a)(i)* provides that the Secretary of State must describe the progress towards each of the targets in sections 3 to 6 that he thinks is needed over the period covered by the strategy in order to reach the targets by the end of the target year. *Subsection (7)(a)(ii)* requires the Secretary of State to set out in the strategy the progress that he intends to make in the period covered by the strategy in achieving the aim of ensuring as far as possible that children do not experience socio-economic disadvantage.

44. *Subsection (7)(b)* requires the Secretary of State to set out in the strategy the progress (other than that which is a result of ensuring that the targets are met) he intends to make by the end of the target year in ensuring as far as possible that children do not experience socio-economic disadvantage. This provision is aimed at children, such as those living in communal establishments or institutions, who are not included in the targets in sections 3 to 6. In this way the Act addresses poverty experienced by all children, and is not limited to children whose circumstances can be measured by the targets in sections 3 to 6.

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45. *Subsection (8)(a)* requires a revised UK strategy to describe the measures taken in accordance with the previous UK strategy, or in accordance with strategies prepared by the devolved administrations. A revised UK strategy must also describe the effect that those measures had on progress towards meeting the targets in sections 3 to 6 (*subsection (8)(b)*) and other effects of those measures on the aim of ensuring as far as possible that children do not experience socio-economic disadvantage (*subsection (8)(c)*).

46. *Subsection (9)* provides that the period to which a strategy relates is three years from the date on which the UK strategy is laid before Parliament, except when a strategy is laid before Parliament less than three years before the beginning of the target year, in which case the period runs from the date it was laid until the end of the target year.

Section 10: Provision of advice by Commission and consultation with others

47. *Section 10* sets out the role of the Commission in providing advice to the Government and specifies who the Secretary of State must consult in preparing UK strategies. *Subsection (1)* places a duty on the Secretary of State to request the advice of the Commission when preparing a UK strategy. The Secretary of State must specify in the request the date by which the Commission must give its advice.

48. *Subsection (2)* allows the Secretary of State at any time to request the advice of the Commission (by a specified deadline) on matters connected with a UK strategy (*subsection (2)(a)*) or the targets in sections 3 to 6 (*subsection (2)(b)*).

49. *Subsection (3)* requires the Secretary of State to have regard to advice provided by the Commission.

50. *Subsection (4)* provides that, when preparing a UK strategy, the Secretary of State must consult: such local authorities or associations of local authorities in England as the Secretary of State thinks fit; the devolved administrations; such children and organisations working with or representing children, as the Secretary of State thinks fit; and such parents and organisations working with or representing parents, as the Secretary of State thinks fit. The Secretary of State may also consult other persons.

51. *Subsection (5)* relates to the preparation of a UK strategy. It provides that when preparing a strategy, the Secretary of State must have regard to any Scottish, Welsh, or Northern Ireland strategy.

Section 11: Scottish strategies

52. *Section 11 (subsection (1))* requires the Scottish Ministers to publish and lay before the Scottish Parliament the first Scottish child poverty strategy within 12 months of Royal Assent.

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53. *Subsections (2)(a) and (b)* specify that this strategy must set out the measures that the Scottish Ministers propose to take to contribute towards achieving the UK targets in sections 3 to 6 and to ensure as far as possible that children in Scotland do not experience socio-economic disadvantage.

54. *Subsection (3)* requires that before the end of the period to which a Scottish strategy relates, the Scottish Ministers must review the strategy and publish and lay before the Scottish Parliament a revised Scottish strategy. Strategies must be published every 3 years; however, there is no requirement under this section to publish revised strategies after the beginning of the target year.

55. *Subsection (4)* concerns the content of a Scottish strategy. *Subsection (4)(a)(i)* requires the strategy to describe the progress the Scottish Ministers intend to make over the period covered by the strategy in contributing to the meeting of the targets in sections 3 to 6 by the end of the target year. *Subsection (4)(a)(ii)* requires the Scottish Ministers to set out in the strategy the progress that they intend to make in the period covered by the strategy in achieving the aim of ensuring as far as possible that children in Scotland do not experience socio-economic disadvantage. *Subsection (4)(b)* requires the Scottish Ministers to set out in the strategy the progress (other than that which is a result of ensuring that the targets are met) they intend to make by the end of the target year to ensure as far as possible that children do not experience socio-economic disadvantage.

56. *Subsection (5)* requires a revised Scottish strategy to describe: the measures taken in accordance with the previous Scottish strategy, the effect that those measures had on progress towards meeting the targets in sections 3 to 6 and other effects of those measures that contribute to the aim of ensuring as far as possible that children in Scotland do not experience socio-economic disadvantage.

57. *Subsection (6)* provides that a Scottish strategy may not include proposed measures that relate to reserved matters, within the meaning of the Scotland Act 1998.

58. *Subsection (7)* requires the Scottish Ministers to lay before the Scottish Parliament an annual report describing: the measures taken by the Scottish Ministers in accordance with the Scottish strategy; how those measures have contributed to meeting the targets in sections 3 to 6 and the aim of ensuring as far as possible that children in Scotland are not affected by socio-economic disadvantage.

59. *Subsection (8)* makes provision about the dates by which the annual reports must be laid before the Scottish Parliament.

60. *Subsection (9)* specifies that the period to which a Scottish strategy relates is three years from the date on which the strategy is laid before the Scottish Parliament, except when a strategy is laid before the Scottish Parliament less than three years before the beginning of the target year, in which case the period runs from the date it was laid until the end of the target year.

Section 12: Northern Ireland strategies

61. *Section 12 (subsection (1))* requires the relevant Northern Ireland department to publish and lay before the Northern Ireland Assembly the first Northern Ireland child poverty strategy within 12 months of Royal Assent.

62. *Subsections (2)(a) and (b)* specify that the strategy must set out the measures that the Northern Ireland departments propose to take to contribute towards achieving the UK targets in sections 3 to 6 and to ensure as far as possible that children in Northern Ireland do not experience socio-economic disadvantage.

63. *Subsection (3)* requires that before the end of the period to which a Northern Ireland strategy relates, the relevant Northern Ireland department must review the strategy and publish and lay before the Northern Ireland Assembly a revised Northern Ireland strategy. Strategies must be published every three years; however, there is no requirement under this section to publish revised strategies after the beginning of the target year.

64. *Subsection (4)* concerns the content of the Northern Ireland strategy. *Subsection (4)(a)(i)* requires the strategy to describe the progress that the Northern Ireland departments intend to make over the period covered by the strategy in contributing to the meeting of the targets in sections 3 to 6 by the end of the target year. *Subsection (4)(a)(ii)* requires the strategy to set out the progress the Northern Ireland departments intend to make in the period covered by the strategy in achieving the aim of ensuring that as far as possible that children in Northern Ireland do not experience socio-economic disadvantage. *Subsection (4)(b)* requires the strategy to describe the progress that the Northern Ireland departments intend to make (other than that which is a result of ensuring that the targets are met) by the end of the target year in ensuring as far as possible that children in Northern Ireland do not experience socio-economic disadvantage.

65. *Subsection (5)* requires a revised Northern Ireland strategy to describe: the measures taken by the Northern Ireland departments in accordance with the previous Northern Ireland strategy, the effect that those measures had on progress towards meeting the targets in sections 3 to 6 and other effects of those measures that contribute to the aim of ensuring as far as possible that children in Northern Ireland do not experience socio-economic disadvantage.

66. *Subsection (6)* provides that a Northern Ireland strategy may not include proposed measures that relate to excepted or reserved matters, within the meaning of the Northern Ireland Act 1998.

67. *Subsection (7)* requires the relevant Northern Ireland department to lay before the Northern Ireland Assembly an annual report describing: the measures taken by the Northern Ireland departments in accordance with the Northern Ireland strategy; how those measures have contributed to meeting the targets in sections 3 to 6 and the aim

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of ensuring as far as possible that children in Northern Ireland are not affected by socio-economic disadvantage.

68. *Subsection (8)* makes provision about the dates by which the annual reports must be laid before the Northern Ireland Assembly.

69. *Subsection (9)* specifies that the period to which a Northern Ireland strategy relates is three years from the date on which the strategy is laid before the Northern Ireland Assembly, except when a strategy is laid before the Northern Ireland Assembly less than three years before the beginning of the target year, in which case the period runs from the date it was laid until the end of the target year.

Section 13: Advice and consultation: Scotland and Northern Ireland

70. *Section 13* makes provision about the role of the Commission in relation to the preparation of Scottish and Northern Ireland strategies. It also requires the devolved administrations to consult particular persons when they are preparing those strategies.

71. *Subsection (1)* places a duty on the Scottish Ministers and the relevant Northern Ireland department to request the advice of the Commission when preparing a Scottish or Northern Ireland strategy and to specify a date by which the advice must be provided.

72. *Subsection (2)* requires the Scottish Ministers and the relevant Northern Ireland department to have regard to the Commission's advice in the development of their strategies.

73. *Subsection (3)* lists the parties that the devolved administrations must consult in preparing their strategies. The Scottish Ministers must consult such local authorities or associations of local authorities in Scotland as they think fit. Both the Scottish Ministers and the relevant Northern Ireland department are required to consult the Secretary of State and such children and organisations working with or representing children, as they think fit; and such parents, and organisations working with or representing parents, as they think fit. They may also consult other persons.

Section 14: Reports by Secretary of State

74. *Section 14* imposes a duty on the Secretary of State to produce and lay before Parliament annual reports and includes other provision relating to those reports. *Subsection (1)* requires the Secretary of State to produce annual reports on the progress made towards meeting the targets in sections 3 to 6, and in implementing the UK strategy.

75. *Subsection (2)* makes provision about the dates by which the reports relating to a UK strategy must be laid before Parliament.

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76. *Subsection (3)* requires the Secretary of State, as soon as reasonably practicable after the end of the target year, to lay before Parliament a report on the progress made in implementing the most recent UK strategy.

77. *Subsection (4)* provides that a report must describe: the measures taken by the Secretary of State in accordance with the UK strategy; the measures taken by the devolved administrations in accordance with their strategies; and the effect of all those measures on progress towards the targets set in sections 3 to 6 and the aim of ensuring as far as possible that children in the UK are not affected by socio-economic disadvantage.

78. *Subsection (5)* provides that if the measures in the UK strategy have not been implemented in full the annual report must set out the reasons why.

79. *Subsection (6)* provides that before preparing an annual report the Secretary of State must consult the devolved administrations.

Section 15: Statement required in relation to target year

80. *Section 15* requires the Secretary of State to include a statement in the report under section 14(3). *Subsection (1)* provides that this statement must describe whether the targets in sections 3 to 6 have been met.

81. *Subsection (2)* requires the statement to be based on statistics officially classified as National Statistics. In practice this means that the statistics will be taken from the Department of Work and Pensions' Households Below Average Income data set, derived from its Family Resources Survey, and the *Understanding Society* survey undertaken by the University of Essex on behalf of the Economic and Social Research Council.

82. *Subsection (3)* provides that the percentages given in the statement will determine whether the targets in sections 3 to 6 have been met in relation to the target year.

83. *Subsection (4)* requires that if any of the targets in sections 3 to 6 have not been met the report under section 14(3) must give reasons for this.

Section 16: Economic and fiscal circumstances

84. *Section 16(1)* requires the matters mentioned in *subsection (2)* to be taken into account by the Secretary of State when preparing a UK strategy, and by the Commission when considering any advice to be given to the Secretary of State or the devolved administrations.

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85. *Subsection (2)* provides that the matters that must be taken into account are economic circumstances and the likely impact of any measure on the economy (*subsection (2)(a)*) and fiscal circumstances and the likely impact of implementing any proposed measure on taxation, public spending and public borrowing (*subsection (2)(b)*).

86. *Subsection (3)* sets out the matters that the Scottish Ministers and the relevant Northern Ireland department must have regard to in preparing their strategies. The matters that must be taken into account are the resources that are or may be available to the Scottish Ministers or to the Northern Ireland departments, (*subsection (3)(a)*) and the effect of the implementation of any proposed strategy on those resources (*subsection(3)(b)*).

Section 17: Continuing effect of targets after target year

87. *Section 17* introduces Schedule 2, which contains provision regarding the continuing effect of the targets after the target year.

Section 18: Interpretation of Part 1

88. *Section 18* provides definitions for the purposes of Part 1 of the Act.

Part 2 – DUTIES OF LOCAL AUTHORITIES AND OTHER BODIES IN ENGLAND (Sections 19 to 25)

Section 19: Responsible local authorities

89. *Section 19* sets out which local authorities will be “responsible local authorities” for the purposes of Part 2 of the Act. They are upper-tier authorities or those with upper-tier responsibilities as well as London boroughs, the City of London and the Council of the Isles of Scilly.

Section 20: Partner authorities

90. *Section 20* lists public bodies and persons who will be “partner authorities” in relation to responsible local authorities for the purposes of Part 2. Some of these bodies are also listed as partner authorities for the purposes of Chapter 1 of Part 5 of the Local Government and Public Involvement in Health Act 2007.

91. *Subsection (3)(a)* covers Jobcentre Plus by referring to the Secretary of State in relation to his functions under section 2 of the Employment and Training Act 1973. *Subsection (3)(b)* covers the Probation Services by referring to the Secretary of State in relation to his functions under sections 2 and 3 of the Offender Management Act 2007.

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92. *Subsection (4)* provides that the Secretary of State's functions under Part 2 of this Act as a partner authority, in relation to subsection (3)(b), are functions which can be performed through arrangements for the provision of probation services under section 3 of the Offender Management Act 2007. This means that they are included in the functions that are to be discharged under arrangements made under section 3 of that Act.

93. *Subsection (6)* provides that the Secretary of State may, by order, amend the list of partner authorities by adding any person with functions of a public nature, removing any person, or by adding or removing references to the Secretary of State's functions under subsection (3). The order is subject to the negative resolution procedure. *Subsection (7)* provides that before making such an order, the Secretary of State must consult such representatives of local government and such other persons as he thinks fit.

Section 21: Co-operation to reduce child poverty in local area

94. *Section 21 (subsection (1))* imposes a duty on each responsible local authority to make arrangements to promote co-operation between the authority, each of its partner authorities, and such other persons or bodies as the authority considers appropriate. *Subsection (2)* provides that the purpose of these arrangements is to reduce, and mitigate the effects of, child poverty in the local authority's area. *Subsection (3)* places a duty on the partner authorities to co-operate with the local authority. The section also enables the local authority to involve other persons or bodies, for example from the private and voluntary sectors, in the arrangements; however these persons or bodies are not under a duty to co-operate.

95. *Subsection (4)* provides that the responsible local authority and its partner authorities must have regard to guidance issued by the Secretary of State. This guidance is intended to cover the arrangements that responsible local authorities should put in place. It is expected that responsible local authorities and partner authorities will use existing partnerships, such as Local Strategic Partnerships, rather than setting up new arrangements.

96. *Subsections (5) and (6)* provide powers for responsible local authorities and their partner authorities to provide staff, goods, services, accommodation or other resources and to pool budgets in support of the arrangements made under this section.

Section 22: Local child poverty needs assessment

97. *Section 22* requires a responsible local authority, as part of the arrangements to co-operate made under section 21, to prepare and publish an assessment of the needs of children living in poverty its area. Partner authorities must co-operate with the local authority in preparing a needs assessment.

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98. *Subsection (2)* gives the Secretary of State the power to make regulations about local child poverty needs assessments. *Subsection (3)* sets out the things that the regulations can make provision about. The intention is that the regulations will set out those matters which a responsible local authority must consider in its child poverty needs assessment, while giving the authority flexibility to consider other matters that it considers appropriate.

99. *Subsection (4)* requires the responsible local authority and each partner authority to have regard to any guidance that the Secretary of State gives to them about how they should exercise their functions under this section.

Section 23: Joint child poverty strategy for local area

100. *Section 23* requires the arrangements to co-operate made by a responsible local authority under section 21 to include arrangements to prepare a joint child poverty strategy in relation to the authority's area and to modify it in accordance with the provisions in this section. *Subsection (2)* requires that the strategy must set out the measures that the authority and each partner authority propose to take for the purpose of reducing, and mitigating the effects of, child poverty in the responsible local authority's area.

101. *Subsection (3)* provides that some of these measures must relate to matters identified in a local child poverty needs assessment carried out by the authority under section 22. The strategy can also include other measures relating to matters that the responsible local authority or a partner authority considers relevant to tackling child poverty in their area.

102. *Subsection (4)* provides that the responsible local authority may modify the strategy. When revising the local child poverty needs assessment the responsible local authority must consider whether any modification of the strategy is required (*subsection (5)*).

103. *Subsection (6)* requires the responsible local authority to consult such children, and organisations working with or representing children as the authority thinks fit; and such parents and organisations working with or representing parents, as the authority thinks fit, when preparing or modifying the strategy. The authority may also consult such other persons or bodies as it thinks fit.

104. *Subsection (7)* provides a power for the Secretary of State to issue guidance, which the responsible local authority and each of its partner authorities must have regard to when exercising functions under this section.

105. *Subsection (8)* provides that the responsible local authority and each partner authority must have regard to the joint child poverty strategy in exercising their functions.

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Section 24: Sustainable community strategy

106. *Section 24* amends section 4 of the Local Government Act 2000, which concerns the preparation of strategies for promoting well-being. The effect of the amendment is that local authorities are required to take account of the local child poverty needs assessment, the joint child poverty strategy and other arrangements they have made to tackle child poverty in their area when preparing their sustainable community strategy.

107. This is to ensure that measures to reduce, and mitigate the effects of, child poverty are reflected in the wider planning of local authorities.

Section 25: Meaning of “child poverty” in Part 2

108. *Section 25* defines “child poverty” for the purposes of Part 2 of the Act.

109. *Subsection (2)* states that a child is considered to be in poverty if the child experiences socio-economic disadvantage.

110. *Subsection (3)* makes it clear children whose families fall within the relevant income groups for the purposes of sections 3 to 6 are to be regarded as experiencing socio-economic disadvantage.

Part 3 – MISCELLANEOUS AND GENERAL (Sections 26 to 32)

Section 26: Free School lunches and milk

111. *Section 26* concerns the provision of free school lunches and milk. *Subsection (1)* amends section 512ZB of the Education Act 1996 to give the Secretary of State (or, in relation to Wales, the Welsh Ministers) an order-making power to extend eligibility for free school meals if the child meets prescribed conditions and the child’s parent is in receipt of a prescribed benefit or allowance.

112. The Secretary of State may extend eligibility for free school meals to a primary school child if the child’s parent is entitled to Working Tax Credit and the family has a household income below a specified threshold. Currently, the Education Act 1996 allows the Secretary of State (or the Welsh Ministers) to adjust eligibility for free school meals only on the basis of the benefit being received by the parent, rather than the age of the child. It is therefore not possible to use existing powers to extend the entitlement to free school meals to primary school children of parents who are entitled to Working Tax Credit without also extending the entitlement to secondary school children within the same family.

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113. *Subsection (1)(c)* allows an order to be made to extend eligibility for free school meals to a child who meets prescribed conditions and whose parents are receiving a prescribed benefit or allowance or entitled to a prescribed tax credit.

114. *Subsection (1)(e)* allows an order to be made to extend eligibility for free school meals to a child who meets prescribed conditions and who is receiving a prescribed benefit or allowance or is entitled to a prescribed tax credit.

Section 27: General Interpretation

115. *Section 27 (subsection (1))* includes a definition of “child” for the purposes of the Act. In effect, “child” has the same meaning as “child” or “qualifying young person” for the purposes of assessing eligibility for child benefit, but actual entitlement to child benefit does not need to be proven in order to come within this definition. Section 142 of the Social Security Contributions and Benefits Act 1992 and regulations made under that Act (and similarly, for Northern Ireland, section 138 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992) set out who is eligible for child benefit.

116. *Subsection (1)* also includes a definition of ‘parent’ for the purposes of the Act. In effect, ‘parent’ covers persons who have parental responsibility for a child (*paragraph (a)* of the definition of ‘parent’ in *subsection (1)*) and persons who do not have parental responsibility but are caring for a child who resides with them, such as ‘family and friends’ carers (*paragraph (b)* of the definition of ‘parent’ in *subsection (1)*).

The definition of ‘parent’ is similar to that in section 576 of the Education Act 1996. However, *paragraph (b)* of the definition of ‘parent’ in *subsection (1)* requires that the child resides with the person caring for the child. This ensures that carers such as childminders who have temporary care of a child are not included in the definition of ‘parent’. ‘Parental responsibility’ is defined in accordance with the definition in the Children Act 1989 or equivalent Scottish or Northern Ireland legislation (*subsection (2)*).

Schedule 1: The Child Poverty Commission

117. *Schedule 1* sets out the details of the structure and membership of the Commission, including terms of office, staff and facilities.

118. *Paragraph 1* enables the Secretary of State to appoint a chair and such other members as he may determine. In addition, it requires Scotland, Wales and Northern Ireland each to appoint a representative member to the Commission.

119. *Sub-paragraph (3)* of *paragraph 1* enables the Commission, rather than the Secretary of State, to appoint its deputy chair.

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120. *Paragraph 4* provides that the Secretary of State must consent to the terms of any appointment made to the Commission by a devolved administration.

121. *Paragraph 10* provides that the Commission is able to request at any time that the Secretary of State carries out, or commissions others to carry out, research on its behalf, for the purpose of enabling it to perform its functions. If such a request is refused, *sub-paragraph (2)* requires the Secretary of State to give reasons for the refusal to the Commission.

122. *Paragraph 11* enables the Secretary of State to pay members of the Commission, or the organisations they work for.

123. *Paragraph 17* states that the Commission must comply with a request for advice made by the Secretary of State under section 10, or by the Scottish Ministers or the relevant Northern Ireland department under section 13. The Commission's advice must contain reasons for that advice. The advice must be published as soon as reasonably practicable after it has been given.

124. The effect of *paragraph 18* is to make the administrative records of the Commission public records for the purposes of the Public Records Act 1958.

125. *Paragraph 19* amends Schedule 2 to the Parliamentary Commissioner Act 1967 to add the Commission to the list of bodies which are subject to investigation by the Parliamentary Commissioner for Administration in the event of maladministration.

126. The effect of *paragraph 20* is that members of the Commission are disqualified from membership of the House of Commons and the Northern Ireland Assembly.

Schedule 2: Continuing effect of targets after target year

127. *Schedule 2* places a duty on the Secretary of State to ensure that the targets, once met, are met in later financial years, and confers powers on the Secretary of State to make regulations about how the targets will apply after the target year if they are not met in that year or in any later year which is a renewed target year under the Schedule. Scrutiny is by the affirmative resolution procedure.

128. *Paragraph 2* imposes a duty on the Secretary of State to ensure that the targets are met in any financial year immediately following a year in which the report under section 14(3) (in relation to the target year) or statement under paragraph 8 of the Schedule (in relation to a renewed target year) is published.

129. *Paragraph 3* imposes a duty on the Secretary of State to make regulations about how the targets will be met after the end of the target year if the targets are not met in relation to the target year or any renewed target year. The regulations must be made as soon as is reasonably practicable after the final report (under section 14(3))

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or statement (under paragraph 8 of Schedule 2) is laid before Parliament (paragraph 4). These regulations must: set a new target year; require the Secretary of State, the Scottish Ministers and relevant Northern Ireland department to publish further strategies; require the Secretary of State, the Scottish Ministers and relevant Northern Ireland department, when preparing strategies, to consult the persons and bodies with whom they are required to consult under sections 10 and 13; and require the Secretary of State to publish annual reports on the implementation of the strategies.

130. *Paragraph 5* provides that regulations made under paragraph 3 may include provision conferring or imposing functions on the Commission after the target year.

131. *Paragraph 6(a) to (d)* provides that regulations made under paragraph 3 may include provision relating to: UK, Scottish and Northern Ireland strategies, and consultation on the strategies; reports; and the Commission providing further advice to the Secretary of State, the Scottish Ministers or the relevant Northern Ireland department.

132. *Paragraph 7* provides that the matters listed in section 16(2) must be taken into account by the Secretary of State, and the matters listed in section 16(3) must be taken into account by the devolved administrations, when preparing any strategy under regulations made under paragraph 3. The matters listed in section 16(2) must also be taken into account by the Commission when considering any advice to be given under such regulations.

133. *Paragraph 8* requires the Secretary of State to publish a statement in relation to each renewed target year, stating whether the targets have been met in relation to that year and, if not, explaining why not.

134. *Paragraph 9(1)(a)* provides that regulations may amend the target percentage and base year of the absolute low income target in its application to any financial year later than the target year. This provision is required for the purposes of measuring absolute low income because in order for it to remain an accurate measure, it will be necessary to reset the current baseline of 2010-2011 at regular intervals. This regulation-making power is subject to the affirmative resolution procedure.

135. Alternatively, *paragraph 9(1)(b)* provides that regulations may make provision to repeal section 4 (the absolute low income target), and the reference to this target in section 25(3)(a). This power is subject to the affirmative resolution procedure. If the necessary growth in incomes has been achieved by 2020, it may be decided that it is not necessary to establish a new absolute low income target.

136. *Paragraph 9(2)* makes it clear that paragraph 9(1)(b) is not intended to have effect in relation to financial years before the regulations are made.

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COMMENCEMENT DATES

137. Section 31 of the Act makes provision for commencement. The provisions of the Act came into force on Royal Assent, except Part 2 (duties on local authorities and other bodies in England) and section 26 (free school lunches and milk), which come into force two months after Royal Assent.

HANSARD REFERENCES

The following table sets out the dates and Hansard references for each stage of this Act's passage through Parliament.

<i>Stage</i>	<i>Date</i>	<i>Hansard reference</i>
House of Commons		
Introduction	11 June 2009	Vol. 493 Column 952
http://www.publications.parliament.uk/pa/cm200809/cmbills/112/09112.i-ii.html		
Second Reading	20 July 2009	Vol. 496 Cols 603 to 681
Committee	20 October 2009 to 03 November 2009	Child Poverty Public Bill Committee
http://www.publications.parliament.uk/pa/cm200910/cmbills/010/10010.i-ii.html		
Introduction (in new Session)	19 November 2009	Vol. 501 Column 143
Report and Third Reading	09 December 2009	Vol. 502 Cols 388 to 465
House of Lords		
Introduction	10 December 2009	Vol. 715 Column 1224
http://www.publications.parliament.uk/pa/ld200910/ldbills/021/10021.i-ii.html		
Second Reading	05 January 2010	Vol. 716 Cols 18 to 34
Committee	19 January 2010 to 08 February 2010	Vol. 716 Cols GC 119 to GC 286; Vol 716 Cols GC 335 to 388; Vol 717 Cols 97

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Report	09 March 2010	Vol. 718 Cols 142 to 234
http://www.publications.parliament.uk/pa/ld200910/ldbills/046/10046.i-ii.html		
Third Reading	17 March 2010	Vol. 718 Cols 645 to 646
http://www.publications.parliament.uk/pa/cm200910/cmbills/092/2010092.1-4.html		
House of Commons		
Commons Consideration of Lords Amendments	22 March 2010	Vol. 508 Cols 83 to 97
http://www.publications.parliament.uk/pa/cm200910/cmhansrd/cm100322/debtext/100322-0013.htm#10032230000002		
Royal Assent -25 March 2010	House of Lords Hansard Vol. 718 Col 105	
	House of Commons Hansard Vol. 508 Col 395	

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