

# Child Poverty in the UK (Target for Reduction) Bill

---

---

## CONTENTS

- 1 Establishment of Child Poverty Target
- 2 The relative low income component
- 3 The combined low income and material deprivation component
- 4 The absolute low income component
- 5 The persistent poverty component
- 6 Interpretation of terms used in relation to target and components
- 7 UK strategy
- 8 Reports by Secretary of State
- 9 Regulations
- 10 Interpretation
- 11 Expenses
- 12 Short title, commencement and extent

A

**B I L L**

TO

Require the Secretary of State to establish a target for the reduction of child poverty in the United Kingdom; to make provision about reporting against such a target; and for connected purposes.

**B**E IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

**1 Establishment of Child Poverty Target**

- (1) *It is the duty of the Secretary of State to set and meet the Child Poverty Target (“the Target”) by the Target Date in relation to the United Kingdom.*
- (2) *The Target shall consist of the following components, each of which must be met—*
- (a) *the relative low income component in section 2;* 5
  - (b) *the combined low income and material deprivation component in section 3;*
  - (c) *the absolute low income component in section 4;*
  - (d) *the persistent poverty component in section 5; and*
  - (e) *one or more components, including the method of calculation of each, which the Secretary of State has specified in regulations.* 10
- (3) *The Secretary of State, having consulted the Social Mobility Commission, shall specify in regulations a date by which the Target (“the Target Date”) is to be met.*

**2 The relative low income component**

- (1) *The relative low income component is that less than 10% of children who live in qualifying households live in households that fall within the relevant income group.* 15
- (2) *For the purpose 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.* 20

### 3 The combined low income and material deprivation component

- (1) The combined low income and material deprivation component 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. 5
- (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) The Secretary of State shall, pursuant to this Act and the Life Chances Act 2010, publish and lay before each house of Parliament particulars of 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. 10

### 4 The absolute low income component

- (1) The absolute low income component is that less than 5% of children who live in qualifying households live in households falling within the relevant income group. 15
- (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. 20
- (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; 25
  - “the base year” means the financial year beginning with 1 April 2010.

### 5 The persistent poverty component

- (1) In relation to a financial year (“the relevant financial year”), the persistent poverty component is that less than 7% of children who live 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. 30
- (2) The survey years are –
  - (a) the calendar year that ends in the relevant financial year, and
  - (b) the 3 previous calendar years 35
- (3) 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.

### 6 Interpretation of terms used in relation to target and components

- (1) The Secretary of State, having consulted the Social Mobility Commission, shall publish and lay before Parliament the following –
  - (a) the definition of a qualifying household; 40

- (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 the financial year;
- (d) what deductions are to be made in calculating the net income of a household; 5
- (e) how net household income is to be equivalised.
- (2) In this Act “equivalised”, in relation to household income, means adjusted to take account of variations in household size and composition.
- 7 UK strategy 10**
- (1) The Secretary of State must publish and lay before Parliament the UK strategy.
- (2) A “UK strategy” is a strategy under this section setting out measures that the Secretary of State will take—
- (a) for the purpose of complying with section 1 (duty to ensure that Target is met), and 15
- (b) for the purpose of ensuring as far as possible that children in the United Kingdom do not experience socio-economic disadvantage.
- (3) A UK strategy may also refer to proposals of the Scottish Ministers and the Welsh Ministers and in the Northern Ireland Executive’s Child Poverty Strategy published in March 2016 and any revised strategy. 20
- (4) In preparing a UK strategy, the Secretary of State must consider what (if any) measures ought to be taken in each of the following areas—
- (a) the promotion and facilitation of the employment of parents or of the development of the skills of parents,
- (b) the provision of financial support for children and parents, 25
- (c) the provision of information, advice and assistance to parents and the promotion of parenting skills,
- (d) physical and mental health, education, childcare and social services, and
- (e) housing, the built or natural environment and the promotion of social inclusion. 30
- (5) The Secretary of State may review and issue a revised UK strategy from time to time.
- (6) Before issuing or revising the UK strategy the Secretary of State must consult such persons as he or she considers appropriate. 35
- 8 Reports by Secretary of State**
- (1) Before the end of the financial year beginning after the financial year in which the Target and Target Date are announced and specified and biennially in subsequent financial years the Secretary of State must lay before Parliament a report on— 40
- (a) on the progress made towards meeting the Child Poverty Target;
- (b) on the progress made in implementing the UK strategy; and
- (c) any changes to the UK strategy.

- (2) If the Child Poverty Target has not been met or, in the view of the Secretary of State is unlikely to be met, the report under subsection (1) must explain why it has not been met or is unlikely to be met.

## 9 Regulations

- (1) Any power to make regulations which is conferred by this Act is exercisable by statutory instrument. 5
- (2) A statutory instrument containing regulations may not be approved unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

## 10 Interpretation 10

In this Act—

“Child Poverty Target” has the meaning given in section 1;

“Child Poverty Target Date” has the meaning given in section 1;

“financial year” means the 12 months ending with 31 March; and

“UK strategy” has the meaning given in section 7(2). 15

## 11 Expenses

*There shall be paid out of money provided by Parliament –*

(a) *any expenditure incurred under or by virtue of this Act by the Secretary of State; and*

(b) *any increase attributable to this Act in the sums payable under any other Act out of money so provided.* 20

## 12 Short title, commencement and extent

- (1) This Act may be cited as the Child Poverty in the United Kingdom (Target for Reduction) Act 2017.
- (2) This section comes into force on the day on which this Act is passed. 25
- (3) Sections 7 and 8 shall come into force at the end of a period of twelve months beginning with the day on which this Act is passed.
- (4) All other sections shall come into force at the end of a period of eight months beginning with the day on which this Act is passed.
- (5) This Act extends to England, Wales, Scotland and Northern Ireland. 30

# Child Poverty in the UK (Target for Reduction) Bill

---

---

A

## B I L L

To require the Secretary of State to establish a target for the reduction of child poverty in the United Kingdom; to make provision about reporting against such a target; and for connected purposes.

*Presented by Dan Jarvis.*

---

*Ordered, by The House of Commons,  
to be Printed, 29 June 2016.*

---

© Parliamentary copyright House of Commons 2017

*This publication may be reproduced under the terms of the Open Parliament Licence, which is published at  
[www.parliament.uk/site-information/copyright](http://www.parliament.uk/site-information/copyright)*

PUBLISHED BY AUTHORITY OF THE HOUSE OF COMMONS