

Rt Hon Rachel Reeves MP Chancellor of the Exchequer HM Treasury 1 Horse Guards Road London SW1A 2HQ

cc:

Rt Hon Bridget Phillipson MP, Secretary of State for Education Rt Pat McFadden MP, Secretary of State for Work and Pensions All North East MPs

8 September 2025

via e-mail

Dear Chancellor,

Scrapping the two-child limit in Universal Credit

We write ahead of the forthcoming Autumn Budget as a broad, cross-sector coalition of organisations committed to advocating for the people, public services, voluntary organisations and businesses of the North East.

With around one in three children held back by poverty across almost all parts of our region, we strongly welcome the Government's commitment – first made just over a year ago – to publish an ambitious national child poverty strategy, and to use 'all the available levers' it has to deliver this.

We know how essential this pledge is for our region, as we deal on a daily basis with the wide-ranging impacts of unacceptable, yet avoidable, levels of hardship on the children and families we support, on the public services we provide, and on our regional economy.

We also recognise that the Government has already made several commitments that will make a real difference when implemented – including the expansion of free school meals; free breakfast clubs in primary schools; the rollout of Best Start Family Hubs; investment in opportunities for older young people; and a new, longer-term Crisis and Resilience Fund.

However, the Government's Child Poverty Taskforce <u>has set out</u> that, in developing the new national child poverty strategy, its focus is on reducing the number of children in relative poverty after housing costs; reducing the number of children going without essentials; and giving all children the best start in life.

We believe there is no route to meaningfully achieving any of these critical aims – for children growing up in the North East, nor in the rest of the country – that doesn't involve scrapping the 'two-child limit' in Universal Credit as an immediate priority.

This cruel policy now affects around 70,000 babies, children and young people in low income families across the North East (both in and out of work); a figure that will continue to rise as more babies are born, and until – under current plans – the policy has been fully rolled out in another ten years' time.

Indeed, <u>Child Poverty Action Group (CPAG) analysis</u> indicates that, for every single day the two-child limit remains in place, a *further* 109 children are pulled into poverty across the country. This is unconscionable.

Yet it doesn't have to be this way – with CPAG also finding that ending the two-child limit would lift 350,000 children out of poverty overnight and would mean a further 700,000 children living in less deep poverty across the UK. It would also prevent another 150,000 children being pushed into poverty over the course of this Parliament.

No credible national child poverty strategy would leave this policy in place – and a genuinely ambitious plan would scrap the two-child limit, in full and immediately.

Nobody gets a second chance at childhood, and North East children having their life chances and opportunities limited by poverty today do not have any more time to wait for meaningful action.

We have therefore joined forces to urge you to scrap the two-child limit in Universal Credit at the Autumn Budget, thereby ensuring it is the very first lever the new national child poverty strategy is able to pull.

Yours sincerely

Beth Farhat (Chair, North East Child Poverty Commission and Regional Secretary, NEU)

Tracy Armstrong (Chief Officer, Citizens Advice Newcastle)

Bernadette Askins (Chair, Church Action on Poverty North East)

Claire Atchia McMaster (Director of Income & External Affairs, Turn2us – Middlesbrough Collaboration co-funder)

Revd John Barron (Rector of St Michael & All Angels, Houghton-le-Spring)

Louise Bassett (CEO, Gentoo)

Martin Brookes (Chief Executive, VONNE – Voluntary Organisations' Network North East)

Sara Bryson (Lead Organiser, on behalf of Tyne and Wear Citizens)

Steph Capewell (Chief Executive, Love, Amelia)

Paul Carbury (CEO, Smallwood Trust – Middlesbrough Collaboration co-funder)

Captain John Clifton (Divisional Commander, The Salvation Army North East Division)

Abi Conway (Chief Executive, Citizens Advice Northumberland)

Jo Cooper (CEO, Back on the Map)

Michelle Cooper (CEO, Point North Community Foundation)

Paul Court (Chief Executive, Healthworks)

Kiz Crosbie (CEO, Mortal Fools)

Emilie de Bruijn (Chair, Hartlepool Baby Bank)

Alison Dunn (CEO, Society Matters Group - incorporating Citizens Advice Gateshead)

Grace Dunne (Community Development Officer, No. 28 Community House Hexham)

Cllr Peter Earley (Cabinet Member for Protecting and Supporting Children, North Tyneside Council)

Graham Easterlow (CEO, East Durham Trust)

Corrina Eastwood (Poverty2Solutions)

Leigh Elliott (Chief Executive, Children North East)

Valerie Ender (CEO, Gateshead Youth Council)

Helen Fergusson (Chair, North East Association of Directors of Children's Services)

Andrew Forsey OBE (Director, Feeding Britain)

Stuart Gibb (Chief Executive, North Tyneside Citizens Advice)

Tracy Gibson (Local Organiser, Redcar Area Foodbank)

Rosie Gilchrist (Project Co-ordinator, Rosie's Corner)

Sam Gilchrist (Chief Executive, West Northumberland Food Bank)

Lisa Goodwin (Chief Executive, Connected Voice)

Charlotte Hall (Policy Officer, Difference North East)

Michelle Hardy (Scheme Manager, Home-Start Teesside)

Mark Henderson (CEO, Home Group)

Tracey Herrington (Manager, Thrive Teesside)

Louise Horsefield (Chief Executive, Riverside Community Health Project)

Joseph Howes (Chief Executive, Buttle UK – Middlesbrough Collaboration co-funder)

Helen Howson (CEO, Citizens Advice Darlington, Redcar and Cleveland and CEO, Hartlepool Citizens Advice)

Cllr Cathy Hunt (Cabinet Member for Children & Young People Services, Durham County Council)

Denise Irving (Chief Officer, Citizens Advice Sunderland)

Joanne Jopling (CEO, Young Women's Outreach Project)

Faty Kane (Executive Director, The Angelou Centre)

Jonathan Klajn (Project Director, Jewish Community Council of Gateshead)

Abi Knowles (Area Manager - North East, Trussell)

John McCabe (CEO, North East Chamber of Commerce)

Paula McCormack (CEO, Wallsend Children's Community)

John McCorry (CEO, Newcastle Foodbank)

Dave McCreedy (CEO, Youth Focus: North East)

Craig McCrossan (Advice Manager, Citizens Advice Middlesbrough)

Huffty McHugh (Centre Co-ordinator, West End Women and Girls Centre)

Dr Mike McKean (Clinical Advisor for Policy, North East & North Cumbria Child Health & Wellbeing Network)

Sophie McKenna (Head of Campaign and Operations, Power of Women)

Sarah McPhie (CEO, Citizens Advice Stockton & District)

Beth Major (CEO, The Junction)

Peter Maloney (Chief Executive, Hospitality and Hope)

Julie Marriott (CEO, Family Gateway)

Wayne Mason (CEO, Linx Youth Project)

Rebecca Maw (CEO, The Key)

Justine Merton-Scott (Manager, Space4)

Clare Morley (CEO, Rise North East)

Katrina Morley OBE (CEO, Tees Valley Education)

Beth Munby (Founder, Close-Knit Families)

Janet Murphy MBE (Chief Executive, ESCAPE Family Support)

Jon Niblo (Chief Executive, NE Youth)

Chris Nicholls (Area Manager North East and Yorkshire & Humber, Association of Colleges)

Erin Parker Leonard (Director of Policy and Advocacy, Represent Women)

Lisa Pickard (Chief Executive, Five Lamps)

Edward Pickering (CEO, Citizens Advice County Durham)

Vici Richardson (Chief Executive, Disability North)

Steven Roberts (CEO, Groundwork North East & Cumbria)

Juliet Sanders (CEO, Feeding Families)

Laura Seebohm (CEO, WWIN Specialist Domestic Abuse Service)

Alan Smith (Chief Executive, believe housing)

Gill Smith (CEO, Northern Learning Trust)

Paula Snowdon (Regional Development Manager – North East, Coalfields Regeneration Trust)

Harriet Spalding (Chair of Trustees, The Teesside Charity)

Lesley Storey (CEO, My Sister's Place)

Ian Thompson (CEO, South Tyneside Citizens Advice)

Abby Traynor (Chief Executive, Rape Crisis Tyneside and Northumberland)

James Walder (Chief Executive, North Star Housing Group)

Paul Wales (Chief Executive, Actes Trust)

Jonathan Walker (Chair, Millfield House Foundation)

Cullagh Warnock (Member, One Million Women and Girls Campaign)

Lesleyann Watson (Project Manager, Gateshead Foodbank)

Ashley Wharton (Centre Manager, Shildon Alive)

David Wilson (Head of Charity, The Chronicle Sunshine Fund)