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Dear Debbie and Helen

On 5 December we published our historic Child Poverty Strategy which includes measures that will lift over half a million children out of poverty. The Strategy will deliver the largest reduction in child poverty in a single parliament by any government.

The recent story of child poverty in Britain is simple. The last Labour Government lifted 600,000 children out of poverty. Yet since 2010 it has risen by 900,000. Around 4.5 million children are now in poverty. Two million children are in deep material poverty, meaning that they lack basic essentials like a warm home and healthy food.

There are those who would say that we cannot afford to act on poverty. But it is the cost of inaction that our country, society, economy, and future generations cannot afford. Child poverty is a moral scar on our country, growing up in poverty stifles opportunity. It makes it harder for children to do well at school, get on in life, and it hurts our economy in the long term. The cost in poorer health, worse educational attainment, lower skills and lower earnings is significant. That is terrible in human terms, expensive in financial terms and damaging in economic terms. Tackling child poverty is not just a moral imperative — it is an investment in our country's future.

That is why shortly after the Election, the Prime Minister set up the Child Poverty Taskforce to bring together government and experts to explore how government could use all its available levers to drive down child poverty. As part of the Taskforce we engaged extensively with over 180 stakeholders including academics, think tanks and civil society and listening to the voices of families and children to learn from their experience.

<u>Scrapping the two-child limit</u>

Scrapping the two-child limit is the most cost-effective step we can take now to bring down child poverty this Parliament. This alone will lift 450,000 children out of poverty. It represents an investment in opportunity and a downpayment on Britain's future. It is the right thing to do. The number of brothers and sisters a child has should not determine whether or not they suffer from a lack of resources and a lack of agency.

Almost three quarters of children in poverty now come from working families who are doing the right thing yet find their pay packets don't cover their essential costs.

Driving down child poverty is an essential part of the Government's wider ambitions to tackle the cost of living for working people.

As well as scrapping the two-child limit, the Government is taking action to tackle the root causes and symptoms of poverty, prioritising action over the last 15 months to boost family incomes, drive down the cost of essentials, and strengthen local support.

Boosting family incomes

To help boost family incomes, the Government is:

- Making Work Pay through a further increase to the National Minimum Wage worth up to £900 for full-time workers from April 2026, on top of this year's increase.
- Strengthening rights at work through the Employment Rights Bill to create more secure jobs across the country.
- Extending eligibility for upfront childcare costs for those returning from parental leave to make it easier for new parents who receive Universal Credit to get back to work and streamlining the process so it is clear for parents who meet the eligibility criteria that they are entitled to upfront support, so they can be confident they will receive help.
- Expanding government funded childcare to working families in England for children from the age of nine months backed by thousands of new school-based nursery places.
- Introducing the first sustained above inflation increase to the basic rate of Universal Credit.
- Bringing in the Fair Repayment Rate for Universal Credit deductions, worth £420 a year to over a million of the poorest households.
- Reforming the Child Maintenance Service to help lift 20,000 children in Great Britain out of poverty.

Driving down the cost of essentials

To ensure families can put food on the table and provide safe, warm homes for their children, the Government is:

- Investing in a new 10-year Social and Affordable Homes programme in England.
- Expanding free school meals in England to all children in families on Universal Credit, lifting 100,000 children out of poverty by the end of this Parliament.
- Rolling out free breakfast clubs in England.
- Investing £600 million in the Holiday Activity and Food Programme in England to deliver enriching activities and healthy food for the poorest children through the holidays.
- Help for families to buy more affordable infant formula by setting clear guidance for retailers and allowing families to use loyalty points, vouchers, and gift cards to purchase formula.
- Extending the £150 Warm Homes Discount to an additional 2.7 million households in Great Britain.

Strengthening local support

To ensure families can access personalised local services and support, the Government is:

- Investing up to £5 billion in the Pride in Place Programme for the most in-need places in Great Britain, including measures to address child poverty.

- Rolling out Best Start Family Hubs in every English local authority by April 2026, backed with over £500 million.
- Introducing a £1 billion package (including Barnett impact) for a new Crisis and Resilience Fund to help local authorities to provide emergency financial support such as food, energy and housing support to families facing hardship.
- Ending the use of B&B accommodation for families with children other than for very short-term use, improving the quality of temporary accommodation and taking action to reduce the cost for councils.
- Investing £500 million in the Better Futures Fund in England, breaking down barriers to opportunity for up to 200,000 vulnerable children, young people and their families.
- Making available over £2.4 billion for the Family First Partnership programme in England to reform children's social care and deliver early intervention and support.

The measures in this strategy are just the start. We are committed to delivering lasting change beyond this Parliament, building on the work already underway so that we break the link between a child's background and their future success.

Monitoring and metrics

To monitor progress, we will adopt two complementary headline metrics that will measure overall child poverty using our leading measure of relative low income and our new measure of deep material poverty that looks at families' ability to afford essentials as well as their income and housing costs.

In addition, we have set out the monitoring and evaluation arrangements we will put in place for our strategy from this year and for future years to ensure transparency. There will continue to be a dedicated team in government that, with Ministerial oversight, will work across government, the public and private sectors and civil society as we develop milestones and plans for delivering, monitoring and evaluating our strategy. We will publish a baseline report next summer which will set out the latest statistics and evidence, with annual reporting thereafter to monitor and evaluate progress.

Taken together, the measures in the Child Poverty Strategy will lift 550,000 children out of poverty by the end of this Parliament. We estimate that 7.1 million children will live in households that see an increase in income as a result of modelled measures, including 1.4 million children in deep material poverty.

We would be very happy to answer questions committee members colleagues may have about this strategy that sets out ambitious steps we are taking to reduce child poverty over this Parliament and puts in place the building blocks for longer-term change to ensure every child has the best start in life.

Best wishes,

Pat McFadden   Bridget Phillipson

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