



House of Commons
Work and Pensions Committee

The two-child limit

Third Report of Session 2019

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 30 October 2019*

Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Work and Pensions and its associated public bodies.

Current membership

[Frank Field MP](#) (*Independent, Birkenhead*) (Chair)

[Heidi Allen MP](#) (*Liberal Democrat, South Cambridgeshire*)

[Jack Brereton MP](#) (*Conservative, Stoke-on-Trent South*)

[Neil Coyle MP](#) (*Labour, Bermondsey and Old Southwark*)

[Rosie Duffield MP](#) (*Labour, Canterbury*)

[Ruth George MP](#) (*Labour, High Peak*)

[Steve McCabe MP](#) (*Labour, Birmingham, Selly Oak*)

[Nigel Mills MP](#) (*Conservative, Amber Valley*)

[Anna Soubry MP](#) (*The Independent Group for Change, Broxtowe*)

[Chris Stephens MP](#) (*Scottish National Party, Glasgow South West*)

[Derek Thomas MP](#) (*Conservative, St Ives*)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

© Parliamentary Copyright House of Commons 2019. This publication may be reproduced under the terms of the Open Parliament Licence, which is published at www.parliament.uk/copyright/.

Committee reports are published on the [publications page](#) of the Committee's website and in print by Order of the House.

Evidence relating to this report is published on the [inquiry page](#) of the Committee's website.

Committee staff

The current staff of the Committee are Zoë Backhouse (Assistant Clerk), Jessica Bridges Palmer (Senior Media and Policy Officer), Michelle Garratty (Committee Assistant), Esther Goosey (Senior Committee Assistant), Anne-Marie Griffiths (Clerk), Libby McEnhill and James Mirza Davies (Senior Committee Specialists), Aisling Munnely (Assistant Policy Analyst), and Stuart Ramsay (Second Clerk).

Contacts

All correspondence should be addressed to the Clerk of the Work and Pensions Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 8976; the Committee's email address is workpencom@parliament.uk

You can follow the Committee on Twitter using [@CommonsWorkPen](#)

Contents

Summary	3
1 Introduction	4
The two-child limit	4
Our inquiry	4
2 Policy aims and objectives	6
Family planning decisions	6
Awareness of the policy	6
The Government’s assumptions about family planning	7
Work incentives	8
Evaluation	9
3 Unintended consequences of the two-child limit	10
Child poverty	10
Disproportionate impacts	11
Impact on faith groups and minority ethnic communities	11
Non-consensual conception	12
Northern Ireland	13
4 Conclusions	15
Formal minutes	16
Witnesses	17
Published written evidence	18
List of Reports from the Committee during the current Parliament	19

Summary

The two-child limit restricts the support provided to families through the benefits system—whether through tax credits, Housing Benefit or Universal Credit—to two children (with some, limited, exceptions). Subsequent children born on or after 6 April 2017 are not entitled to the “child element” of tax credits or Universal Credit, which is worth £2,780 a year.

The Government’s reasoning for limiting support to the first two children in a family is that those claiming benefits should face the same financial choices about having children as families who are supporting themselves solely through work. This assumes, however, that all pregnancies are planned—and in full knowledge of the Government’s social security policy. These assumptions simply do not hold true.

Moreover, the distinction between families on benefits and those who are working is crude and unrealistic. Someone supporting themselves in work today might well need help from the benefits system tomorrow. By the Government’s logic, only the wealthy few, with the financial resilience to withstand all of life’s misfortunes without recourse to the benefits system, could ever responsibly decide to have more than two children.

The Government has also suggested that the policy might encourage parents to increase their incomes from work. We have seen no evidence that that is the case. By contrast, we have heard evidence that an absence of affordable childcare, as well as the costs of transport, make it all but impossible for some families to increase their working hours to compensate for their losses.

We have seen no evidence that the two-child limit is working in the way the Government hoped for, not least because the Government itself has produced no evaluation of its impact. But we have heard that it is having serious unintended consequences.

A whole host of expert organisations, including the Institute for Fiscal Studies, have predicted that the two-child limit will lead to significant increases in the numbers of children living in poverty, and will push hundreds of thousands of children even deeper into poverty. These effects will be felt more severely in communities which tend to have larger families. We heard evidence that Muslim and Jewish communities, Pakistani, Bangladeshi and Gypsy, Roma and Traveller communities, and families in Northern Ireland are all disproportionately affected.

A disproportionate burden is also likely to fall on survivors of rape and domestic abuse. There is an exception for third or subsequent children conceived through rape or in a coercive relationship, but in practice only a very small number of survivors have accessed it.

The Government must return to providing support for all children through the benefits system. This would involve the reversal of a major policy, which is not something that we would recommend without serious consideration. But the two child limit not only fails to achieve the Government’s own objectives, but has unintended consequences that no Government should be willing to accept.

1 Introduction

The two-child limit

1. In the 2015 Summer Budget, the Government announced a package of reforms which it said would make the tax credits system, and its successor, Universal Credit, “fairer and more affordable”.¹ The two-child limit was introduced as part of this package: from 6 April 2017, support provided to families—whether through tax credits, Housing Benefit or Universal Credit—would be limited to the first two children. For the families affected, this translates to an average annual loss of £2,780 per child.² In the long run, the policy is expected to result in savings of £2 billion a year in today’s terms.³ Child Benefit continues to be paid for all eligible children.

2. When the Government introduced the policy in 2015, it set out its reasoning as follows:

On top of Child Benefit for every child, an out of work family with 5 children can currently claim over £14,000 a year in tax credits alone. The government believes that those in receipt of tax credits should face the same financial choices about having children as those supporting themselves in work.⁴

The current Secretary of State, Rt Hon Dr Thérèse Coffey, echoed this argument when giving evidence to us on 16 October 2019. While she told us that she was “all for people having children”, she explained that the Government had given a clear signal to families that they would “no longer get additional support for more children”.⁵ She argued that the two-child limit is a “popular policy in the country” and that “people see it as a sensible way for the Government to use their taxes”.⁶

Our inquiry

3. We began our work on the two-child limit in December 2018. At that time, the Government planned, from 1 February 2019, to extend the two-child limit to include children born before 6 April 2017—when the two-child limit was introduced. Having heard evidence from the Child Poverty Action Group, the Institute for Fiscal Studies, Women’s Aid and Policy in Practice, we concluded that we needed to make an urgent report recommending that the Government abandon its plans to apply the two-child limit retrospectively from 1 February 2019. Shortly before our report was published—but after we had sent an advance copy to the Government under embargo—the Government announced that the two-child limit would not be applied retrospectively.

1 HM Treasury, Summer Budget 2015, HC 264, July 2015

2 Gov.uk, Child tax credit and Universal Credit, accessed on 19 December 2018

3 Institute for Fiscal Studies, [Reform to two-child limit addresses retrospection, but does not change long-run cut to support for big families](#), 11 January 2019

4 HM Treasury, Summer Budget 2015, HC 264, paras 1.141–1.150

5 Oral evidence taken before the Work and Pensions Committee, Wednesday 16 October 2019 (HC 50), Q 274

6 Oral evidence taken before the Work and Pensions Committee, Wednesday 16 October 2019 (HC 50), Qq263–266

4. That announcement was, of course, welcome. But our report had highlighted wider concerns about the impact of the policy, including:

- its effect on child poverty;
- its impact on family life;
- the possibility that it might not be compatible with the UK’s equality and human rights obligations; and
- its disproportionate impact on certain groups, including single parents and some faith communities.

We concluded that the Government’s distinction between benefit claimants and those supporting themselves solely through work was “crude and unrealistic”: someone supporting themselves in work today might well need help from the benefits system tomorrow.⁷ We considered that this “fundamentally undermines the Government’s arguments that the two-child limit is about fairness”.⁸ Undertaking to return to the two-child limit in a wider inquiry, we called on the Government to “consider whether the very serious consequences we have identified are offset by any benefits it believes the two-child limit will deliver”.⁹

5. We took further evidence on the effect of the two-child limit as part of our joint inquiry, with the Northern Ireland Affairs Committee, into welfare policy in Northern Ireland. We heard in that inquiry that the two-child limit would have a disproportionate impact in Northern Ireland due to larger family sizes, and that the policy was forecast to increase child poverty disproportionately in Northern Ireland compared to the rest of the UK.

6. In October 2019, we heard from faith groups—with representatives of the Church of England, the Muslim Council of Britain and the Interlink Foundation, the national association for orthodox Jewish community organisations—about the disproportionate impact that the policy can have on some communities. We have also drawn on a joint report produced by the Church of England, Child Poverty Action Group, Women’s Aid, Turn 2 Us and the Refugee Council, entitled *All Kids Count*.

7. We had initially intended to undertake a more substantial inquiry into the two-child limit and the significant policy issues it raises. However, in light of recent political events and the possibility of an early general election, we are making this report as quickly as possible.

7 Work and Pensions Committee, Twenty-Third Report of Session 2017–19, *Two-child limit*, HC 1540, para 25

8 Work and Pensions Committee, Twenty-Third Report of Session 2017–19, *Two-child limit*, HC 1540, para 25

9 Work and Pensions Committee, Twenty-Third Report of Session 2017–19, *Two-child limit*, HC 1540, para 21

2 Policy aims and objectives

8. The Government’s central justification for the two-child limit is that it believes that families claiming benefits should face “the same financial choices about having children as those supporting themselves in work”.¹⁰ In the Impact Assessment which accompanied the Welfare Reform and Work Bill, published in July 2015, the Government envisaged that the policy would:

enhance the life chances of children as they ensure that households make choices based on their circumstances rather than on taxpayer subsidies. This will increase financial resilience [...] in the longer term.¹¹

9. In response to our January 2019 report on the two-child limit, the Department expressed the view that “providing support for a maximum of two children or qualifying young persons in Universal Credit and Child Tax Credit will ensure fairness between claimants and those who support themselves solely through work”.¹² It argued that “the previous system, which saw benefit awards increasing with family size was unsustainable and unfair to those families who support themselves solely through work.”¹³

Family planning decisions

10. The Impact Assessment for the two-child limit made clear that the Government hoped that its policy would play a part in families’ decisions about the number of children they have. It stated that:

The current benefits structure, adjusting automatically to family size, removes the need for families supported by benefits to consider whether they can afford to support additional children. This is not fair to families who are not eligible for state support or to the taxpayer.¹⁴

It further explained that: “Entitlement will remain at the level for two children for households who make the choice to have more children, in the knowledge of the policy.”¹⁵

Awareness of the policy

11. For the Government’s policy to have an impact on families’ decisions about having children, people need to understand the policy and how it might affect them. But throughout our inquiry we have heard evidence that awareness of the two-child limit is low. Tom Sefton, Economics and Social Policy Adviser, Church of England, told us:

we asked about in our online survey of people who have already been affected by [the two-child limit]. We asked them whether they knew about

10 HM Treasury, Summer Budget 2015, HC 264, paras 1.141–1.150

11 <https://www.parliament.uk/documents/impact-assessments/ia15-006e.pdf>

12 Work and Pensions Committee, Twenty-First Special Report of Session 2017–19, *Two-child limit: Government Response to the Committee’s Twenty-Third Report*, HC 2147

13 Work and Pensions Committee, Twenty-First Special Report of Session 2017–19, *Two-child limit: Government Response to the Committee’s Twenty-Third Report*, HC 2147

14 [Welfare Reform and Work Bill: Impact Assessment of Tax Credits and Universal Credit, changes to Child Element and Family Element](#)

15 [Welfare Reform and Work Bill: Impact Assessment of Tax Credits and Universal Credit, changes to Child Element and Family Element](#)

the policy before they had their youngest child. Literally 50% said they had heard about it and the other 50% had not, but even those that had heard about it did not necessarily understand the policy.¹⁶

He went on to explain that some families who responded to the survey believed, wrongly, that they would not be affected by the policy because they were in work.¹⁷ Harun Khan, Secretary General of the Muslim Council of Britain, suggested that people more likely to be affected by the policy were in fact less likely to be aware of it:

I would also assume that many of these families are struggling, so it is really about what level of society you are on to be aware. Someone who is reasonably well educated and doing a job already is probably not claiming those benefits anyway. They will be reading the papers. They will be reading the internet and be more aware of policy, whereas actually it will not be a priority for the hard-to-reach communities.¹⁸

Zoe Charlesworth, Policy and Product Manager, Policy in Practice, noted that the Government would need to raise awareness not only among families already claiming benefits, but across almost the whole population:

you need to inform all women in the UK, except the small percentage who have enough resilience to see themselves through divorce, bereavement, caring, whatever, because for most people there may well come a time when you might need the welfare state.¹⁹

12. None of our witnesses, however, were aware of any specific efforts by the Government to increase awareness of the policy. The *All Kids Count* report found that:

It appears that no information about the two-child limit has been sent directly to tax credit claimants for nearly two years. Nor have other communication channels been used to help raise awareness of the two-child limit—for example, through children’s centres, other public services, or faith organisations. It is perhaps not surprising that so many of the families affected by it have been caught unawares.²⁰

The Government’s assumptions about family planning

13. The Government’s arguments for the two-child limit rely on the assumption that families are able to plan the number of children they will have, and do so on the basis of an understanding of the benefits system. As the *All Kids Count* report put it: “The stated logic behind the two-child limit assumes that parents can completely control the conception of children and guarantee the financial security of their families for the next 18 years.”²¹

16 Q52

17 Q52

18 Q51

19 Q15

20 [All Kids Count: the impact of the two-child limit after two years](#), page 33

21 [All Kids Count: the impact of the two-child limit after two years](#)

14. We heard evidence that even increasing awareness of the policy would not necessarily be likely to have the effect that the Government hoped for. For a start, not all pregnancies are planned. The *All Kids Count* report cited academic analysis of the latest National Survey of Sexual Attitudes and Lifestyles, which had found that “amongst women who already have two or more children, 25 per cent of pregnancies are unplanned, 38 per cent are classified as ‘ambivalent’, and only 37 per cent are planned”.²²

15. Witnesses also pointed out that the two-child limit does not only affect people who are claiming benefits when their child is conceived. Zoe Charlesworth, Policy and Product Manager, Policy in Practice, told us that, each year, 10% of households with three or more children are new to the benefits system.²³ Tom Sefton, Economics and Social Policy Adviser, Church of England, told us:

We have seen all sorts of examples in our research where people have had children and then their relationship has broken down, often through no fault of their own. They have lost their job. Their partner has become disabled. All of those things that could not possibly have been predicted then push them into a situation where they are in poverty and they do not have the support that they expected, having paid their taxes often over 10, 20, 30 years.²⁴

Work incentives

16. In its response to our January 2019 report, the Department said that:

We aim to ensure that our policies encourage families to move into and progress in work where possible so that they have the best opportunity to move out of poverty and become self-reliant. This policy ensures that families in receipt of benefits face the same financial choices as those supporting themselves solely through work.²⁵

In oral evidence to us, the Permanent Secretary of the Department for Work and Pensions, Peter Schofield, referred to “the dynamic impact [of the two child limit] of more people looking for work, more people finding work”.²⁶

17. We have heard evidence, however, that it is often extremely difficult for families to mitigate the impact of the two-child limit by increasing their income from work. Tom Sefton, Economics and Social Policy Adviser, Church of England, told us that “it is extremely hard—and this policy makes it even harder—for a household in poverty to work their way out of poverty”.²⁷ He added:

I probably have several hundred vignettes from people who have been affected by it. A lot of them are already working. A lot of them are doing as much work as they can within their childcare responsibilities. A lot of

22 [All Kids Count: the impact of the two-child limit after two years](#), page 33

23 Q37

24 Q43

25 Work and Pensions Committee, Twenty-First Special Report of Session 2017–19, *Two-child limit: Government Response to the Committee's Twenty-Third Report*, HC 2147

26 Oral evidence taken before the Work and Pensions Committee, Wednesday 16 October 2019 (HC 50), Q266

27 Q43

them say, “I want to work more but I cannot because I cannot afford the childcare”. I know the Government will come back and say, “Well, we have childcare subsidies”, but it does not cover the whole cost.”²⁸

18. The *All Kids Count* report concluded that “it is in practice very difficult for families to compensate for the loss of a child element (worth £2,780 per year) by working additional hours”. It found that a single parent with three children, working 16 hours a week at the National Living Wage of £8.21 an hour could not compensate for the loss of a child element by increasing her hours—unless she was able to access free childcare. If she incurred childcare costs, they would not be covered in full by Universal Credit. Even with free childcare from family or friends, she would still have to increase her hours from 16 to 40 hours a week.²⁹

19. We have repeatedly expressed our concerns about the operation of childcare support in Universal Credit. We heard evidence from parents, support organisations and charities that Universal Credit was, in some cases, making it harder for parents to return to work or increase their hours. Save the Children told us that they had seen parents turn down job offers because “they are simply terrified about getting into debt”.³⁰ In response to those concerns, the Government has taken some action to improve matters. It has, for example, announced that it will encourage Work Coaches to use the Flexible Support Fund to pay for one-off childcare expenses and up-front costs (such as deposits or the first month’s childcare). It has also made the rules around claiming reimbursement more flexible by extending the time period that parents or carers have to claim expenses, and allowing claimants to submit claims online. It is too early to say whether these changes will have a significant impact.

Evaluation

20. It is not clear what plans the Government has to evaluate the impact of the two-child limit. Tom Sefton, Economics and Social Policy Adviser, Church of England, told us that the Bishop of Portsmouth had tabled an amendment to the Welfare Reform and Work Bill in 2015, “asking for the Government to carry out an evaluation to look at the implications for different faith communities”. The Bishop had been persuaded to withdraw that amendment, he explained, “on the basis that Lord Freud said that DWP would be monitoring the policy as part of its test and learn approach.”³¹ However, he told us that “we have not seen any published evidence at all of how this policy will affect either faith communities or children and families more generally.”³² The *All Kids Count* report concluded that “it is surely incumbent on Government to assess whether the policy is achieving its aims, and whether it is having any unintended outcomes”.³³

21. In the absence of the Government conducting an evaluation of the policy’s impacts, it is impossible to say for certain whether it is having the outcomes that it hopes for. There is, however, evidence that it is having other, unintended consequences. We explore that evidence in the next chapter.

28 Q56

29 [All Kids Count: the impact of the two-child limit after two years](#), p16

30 Oral evidence taken before the Work and Pensions Committee on Wednesday 24 October 2018 (HC 336), Q821

31 Q39

32 Q39

33 [All Kids Count: the impact of the two-child limit after two years](#), p6

3 Unintended consequences of the two-child limit

Child poverty

22. In oral evidence on 12 December, Josephine Tucker, Senior Policy and Research Officer at Child Poverty Action Group (CPAG), told us:

You could not design a policy better to increase child poverty than this one.³⁴

Policy in Practice predicted that the two-child limit would lead to 266,000 additional children living in poverty by 2019/20, representing an increase in child poverty of more than 10%, while 256,000 children already living in poverty would fall further into deprivation.³⁵

23. The *All Kids Count* report estimated that “As a result of this policy, 300,000 children will be pushed into poverty and one million children, already in poverty, will be pushed even deeper into poverty by 2023/24.” It noted that “By then, over half of children in families with three or more children are expected to be in poverty.”³⁶

24. Tom Waters, a Research Economist at the Institute of Fiscal Studies, explained that there were several reasons why the impact would be so significant:

- a large number of families—approximately 700,000—are expected to be affected by the two-child limit in the long run;
- the average loss to families is substantial, at about £3,000 a year;
- larger families already tend to be worse off; and
- every family pushed into, or further into, poverty because of this policy necessarily includes three or more children.³⁷

25. In pure economic terms, the two-child limit affects the incomes of parents. However, the *All Kids Count* report found from interviewing affected families that children themselves often bear the impact of the two-child limit. Its research found that, in practice, parents will prioritise essential spending for the youngest children, and that older children are therefore likely to be affected by having a reduced quality diet or by missing out on education or social activities which will affect their own social development and life chances:

Older children seem most likely to miss out, as essentials for babies and toddlers are more likely to be protected and very young children have less need for paid activities. However, there may also be later life consequences of young children having a reduced quality diet or growing up in a household where family members are under constant stress, and as babies grow into

34 Q4

35 Policy in Practice, [Limiting Child Tax Credits to Two Children](#) (April 2017), p3

36 [All Kids Count: the impact of the two-child limit after two years](#), p2

37 Q10

toddlers they benefit from early education and social activities which were unaffordable to some families, with potentially negative consequences for their development.³⁸

26. The context in which the two-child limit has been introduced is also important. Since 2016, most working age benefits—including Child Tax Credits and the equivalent element of Universal Credit—have been frozen in cash terms at 2015/16 rates. That means that benefit rates have not been increased in line with inflation, and have therefore not kept pace with increases in the cost of living. In practice, that means that families with two children are struggling to make ends meet—and families with three or more children are having to make the same amount stretch even further still.

27. The Secretary of State told us in oral evidence that she did not agree that there was a causal link between the two-child limit and child poverty, telling us “It is not a consequitur.”³⁹ The Permanent Secretary argued that this was because of “the dynamic impact of more people looking for work, more people finding work”.⁴⁰ The Department has not, however, published any evaluation of the impact of the two-child limit since it was introduced more than two years ago.

Disproportionate impacts

28. In addition to its overall impact on child poverty rates, we also heard evidence that the two-child limit has a disproportionate impact on some groups and communities.

Impact on faith groups and minority ethnic communities

29. The two-child limit, by definition, has a greater impact on groups which tend to have large families. Some 31% of children in the UK live in families with three or more children, but in some communities this figure is much higher. For Muslim families it is 60%, and for Jewish families 52%.

30. We heard evidence that, for many families, the decision to have a child is not solely a financial one. This is even more likely to be the case in some communities and faith groups, where religious and cultural beliefs will play a major role in the decision. Chaya Spitz, Chief Executive, Interlink Foundation, told us:

It is a reality that orthodox Jewish families have more children. There is a clear correlation between the level of observance in the orthodoxy of a family and the number of children that they have.⁴¹

31. The *All Kids Count* report found that not only are larger families more prevalent in faith communities, but that the decisions that those families make about having children are also likely to be motivated by their religious convictions and practices. It argued that the two-child limit was having “a significant negative impact” in faith communities where larger families were more common, and noted that:

38 [All Kids Count: the impact of the two-child limit after two years](#), p27

39 Q263

40 Q266

41 Q40

Within these communities, raising children is closely bound to their faith and culture. When introducing the two-child limit, the government envisaged that it would influence the choices that families make about the number of children they have, and lead to more ‘responsible’ decision making. However, where reproductive choices and family planning are motivated by deep faith and devout practice, financial considerations about child-related benefits are likely to play a limited role.⁴²

32. In March 2018, the Equality and Human Rights Commission published an assessment of the cumulative impact of tax and welfare reforms on people with different protected characteristics under the Equality Act 2010. In written evidence, it told us that this analysis had shown that “Pakistani, Bangladeshi and Gypsy, Roma and Travellers, will be hit especially hard because on average they are more likely to have more than two children than White families, widening the income disparities identified in the government’s race disparity audit.”⁴³

Non-consensual conception

33. There are some circumstances in which the two-child limit does not apply. This includes when a third or subsequent child is “likely to have been conceived as a result of a non-consensual sexual act (including rape), or at a time when the claimant was subject to ongoing control or coercion by the other biological parent of the child”.⁴⁴ Since the two-child limit was announced, there have been concerns about how it would operate in practice, and in particular about how women would prove to the DWP that their child had been conceived in such circumstances. Following a consultation, the Government introduced a “third party process”, in which women could make a disclosure to a healthcare professional, a social worker or an approved charity, rather than directly to DWP staff. Sian Hawkins of Women’s Aid told us that, while Women’s Aid fundamentally disagreed with the Government’s policy, “we feel that the model that is in place is the one that we hope will cause the least distress to women”.⁴⁵

34. Nevertheless, significant concerns about the operation of this exemption remain. We set these out in our January 2019 report on the two-child limit:

First, it is only available to women who no longer live with the perpetrator, even though “leaving an abusive relationship is not only the most dangerous time for women [. . .] but incredibly difficult to do”. Second, it risks revealing that a child has been conceived through non-consensual sex, because it would be clear from a benefit notice that support was being given for more than two children. Since there are so few exceptions to the two child limit, it would not be difficult—including for the child themselves—to work out why an exception had been granted in a particular case. Third, it only applies to children conceived through rape or in an abusive relationship if

42 [All Kids Count: the impact of the two-child limit after two years](#), p49

43 Equality and Human Rights Commission ([TCL0002](#))

44 GOV.UK, [Universal Credit: support for a maximum of 2 children: information for claimants](#)

45 Q20

they are the third or subsequent child; if someone's first or second child is born under such circumstances, the two-child limit will still apply if they go on to have more children.⁴⁶

We also noted that women's support groups in Wales and Scotland were boycotting the third party referral system because of their concerns about the two-child limit policy, and that the boycott in Scotland was supported by doctors, nurses, midwives and the Scottish Government.⁴⁷

35. The *All Kids Count* report underscored the fact that “Many women will never disclose rape to anyone, for reasons including trauma, self-protection, shame, and fear for others—including their child.” It noted that “Almost half of women who have suffered the most serious sexual offences never report the offence to the police, and over a quarter never tell anyone about it.”⁴⁸ It also highlighted the different impact that the policy could have on women from black and minority ethnic (BME) communities, migrant and refugee women, who may face specific additional barriers to reporting rape. It said:

Language barriers and access to interpreters can make accessing support services or other statutory agencies difficult, and women from specific communities and cultures can face further shame, discrimination and the fear of reprisal if they disclose.⁴⁹

36. Tom Sefton, Economics and Social Policy Adviser, Church of England, noted that the most recently published data showed that there had been 510 exceptions made on the grounds of non-consensual conception. He added:

If you put that in context, in just one year—the latest year available—there were 488,000 domestic abuse crimes, so it is pretty clear that this exception is not being used widely by those affected by domestic violence.⁵⁰

Northern Ireland

37. In a joint report with the Northern Ireland Affairs Committee, published in September 2019, we highlighted the disproportionate impact of the two-child limit in Northern Ireland. Families in Northern Ireland tend to be larger than those in the rest of the UK. Some 21.4% of families in Northern Ireland have three or more children, compared to 14.7% of families in the UK as a whole.⁵¹ We noted that “The two-child limit is expected to increase absolute poverty between 2015/16 and 2021/22 by one percentage point in Northern Ireland, compared with 0.4 percentage points in South East England and 0.5 percentage points in Scotland.”⁵² Families in NI do not have access to the Government's childcare offer in England and Wales, making it harder to offset the

46 Work and Pensions Committee, Twenty-Third Report of Session 2017–19, *Two-child limit*, HC 1540, para 18

47 Work and Pensions Committee, Twenty-Third Report of Session 2017–19, *Two-child limit*, HC 1540, para 19

48 [All Kids Count: the impact of the two-child limit after two years](#), pp37–38

49 [All Kids Count: the impact of the two-child limit after two years](#), p38

50 Q60

51 Work and Pensions and Northern Ireland Affairs Committees, *Welfare policy in Northern Ireland*, First Joint Report of Session 2017–19 (HC 2100), para 130

52 Work and Pensions and Northern Ireland Affairs Committees, *Welfare policy in Northern Ireland*, First Joint Report of Session 2017–19 (HC 2100), para 130

limit through work.⁵³ In addition, onerous criminal reporting requirements in Northern Ireland discourage women from applying for the non-consensual exemption, and place professionals processing claims for the exemption in a difficult position.⁵⁴

38. As a result of our joint inquiry, we and the Northern Ireland Affairs Committee called on the Government to:

halt the implementation of the two-child limit in Northern Ireland and to reimburse any families who have been affected thus far, pending a full investigation into its financial impact on families with children and the potential discrimination against those with larger families and poorer communities.⁵⁵

We have not yet received the Government's response to our report. It is expected to respond no later than 9 November 2019.

53 Work and Pensions and Northern Ireland Affairs Committees, *Welfare policy in Northern Ireland*, First Joint Report of Session 2017–19 (HC 2100), para 133

54 Work and Pensions and Northern Ireland Affairs Committees, *Welfare policy in Northern Ireland*, First Joint Report of Session 2017–19 (HC 2100), paras 140–145

55 Work and Pensions and Northern Ireland Affairs Committees, *Welfare policy in Northern Ireland*, First Joint Report of Session 2017–19 (HC 2100), para 147

4 Conclusions

39. The Government's justification for providing support through tax credits and Universal Credit to only the first two children in a family is that it wants parents claiming benefits to face the same financial choices as those who are supporting themselves solely through work. It argues that this policy is necessary to achieve fairness. That argument may be initially attractive. But it simply does not stand up to scrutiny.

40. Firstly, we stand by our earlier conclusion that this distinction is crude and unrealistic: someone supporting themselves through work today might well need help from the benefits system tomorrow. By the Government's logic, only a household wealthy enough to withstand all of life's misfortunes without recourse to the benefits system could responsibly decide to have more than two children. Such households will be few and far between.

41. Secondly, having children is not always a choice. Only a minority of third children result from planned pregnancies. Some are conceived as a result of rape or coercive control—and with only 510 survivors receiving the exemption for such cases, it is inevitable that some are being affected by the two-child limit, despite the Government's stated intentions. The two-child limit wrongly assumes either that pregnancies are always planned or that those who conceive as a result of rape or coercive control are in a position to leave their partner and disclose what has happened.

42. Thirdly, the policy disproportionately impacts some groups in society—including those who are already experiencing higher levels of poverty and deprivation. It is predicted to increase poverty to a greater extent in Northern Ireland than in the rest of the UK; to push more Muslim and Jewish communities into poverty; and to have a greater impact on Pakistani, Bangladeshi and Gypsy, Roma and Traveller families.

43. The Government argues that the two child limit will not increase child poverty, because it will encourage families to increase their incomes from work. That may be possible for some. But for many, especially lone parents, the difficulty of accessing affordable childcare means that working more hours simply isn't an option. Those families are left with no choice but to make their already frozen and capped incomes stretch ever further—sometimes to breaking point. All too often it will be children themselves who bear the impact. Expert organisations, including the Institute for Fiscal Studies, have forecast significant increases to child poverty, and the Government has provided no evidence to prove them wrong.

44. *We do not recommend the reversal of a significant policy lightly. But on the evidence, the two child limit not only fails to achieve the Government's own objectives, but has unintended consequences that no Government should be willing to accept. The Government must return to providing support for all children through the benefits system.*

Formal minutes

Wednesday 30 October 2019

Members present:

Rt Hon Frank Field, in the Chair

Ruth George Chris Stephens

Nigel Mills

Draft Report (*The two-child limit*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 44 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[The Committee adjourned.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 12 December 2018

Tom Waters, Research Economist, Institute for Fiscal Studies, **Sian Hawkins**, Head of Campaigns and Public Affairs, Women's Aid, **Zoe Charlesworth**, Policy and Product Manager, Policy in Practice, **Josephine Tucker**, Head of Policy and Research, Child Poverty Action Group

[Q1–37](#)

Wednesday 23 October 2019

Harun Khan, Secretary General, Muslim Council of Britain, **Tom Sefton**, Economics and Social Policy Adviser, Church of England, **Chaya Spitz**, Chief Executive, Interlink Foundation

[Q38–64](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

TCL numbers are generated by the evidence processing system and so may not be complete.

- 1 Church of England ([TCL0001](#))
- 2 Equality and Human Rights Commission ([TCL0002](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2019–20

First Report	Bereavement Support Payment	HC 85
Second Report	Universal Credit and "survival sex"	HC 83
Second Special Report	Pension costs and transparency: Government and Financial Conduct Authority Responses to the Committee's Twenty-Ninth Report of Session 2017–19	HC 292

Session 2017–19

First Report	Universal Credit: the six week wait	HC 336
Second Report	A framework for modern employment	HC 352
Third Report	Protecting pensions against scams: priorities for the Financial Guidance and Claims Bill	HC 404
Fourth Report	PIP and ESA assessments: claimant experiences	HC 355
Fifth Report	Universal Credit Project Assessment Reviews	HC 740
Sixth Report	British Steel Pension Scheme	HC 828
Seventh Report	PIP and ESA assessments	HC 829
Eighth Report	European Social Fund	HC 848
Ninth Report	Pensions freedoms	HC 917
Tenth Report	Assistive technology	HC 673
Eleventh Report	Universal Credit: supporting self-employment	HC 997
Twelfth Report	Carillion	HC 769
Fourteenth Report	Appointment of Professor Sir Ian Diamond as Chair of the Social Security Advisory Committee	HC 971
Fifteenth Report	The Motability Scheme	HC 847
Sixteenth Report	Collective defined contribution pensions	HC 580
Seventeenth Report	Universal Credit and Domestic abuse	HC 1166
Eighteenth Report	Universal Support	HC 1667
Nineteenth Report	Benefit Sanctions	HC 955
Twentieth Report	Universal Credit: managed migration	HC 1762
Twenty First Report	Universal Credit: support for disabled people	HC 1770

Twenty-Second Report	Universal Credit: Childcare	HC 1771
Twenty-Third Report	Two-child limit	HC 1540
Twenty-Fourth Report	The benefit cap	HC 1477
Twenty-Fifth Report	Universal Credit: childcare: Government Response to the Committee's Twenty-Second Report	HC 2078
Twenty-Sixth Report	Universal Credit: tests for managed migration	HC 2091
Twenty-Seventh Report	Universal Credit: natural migration	HC 1884
Twenty-Eighth Report	Welfare safety net	HC 1539
Twenty-Ninth Report	Pension costs and transparency	HC 1476
Thirtieth Report	Overpayments of Carer's Allowance	HC 1772
Thirty-First Report	Welfare policy in Northern Ireland	HC 2100
First Special Report	Child Maintenance Service: Government's Response to the Committee's Fourteenth Report of Session 2016–17	HC 354
Second Special Report	Self-employment and the gig economy: Government Response to the Committee's Thirteenth Report of Session 2016–17	HC 644
Third Special Report	Disability employment gap: Government Response to the Committee's Seventh Report of Session 2016–17	HC 652
Fourth Special Report	Victims of modern slavery: Government Response to the Committee's Twelfth Report of Session 2016–17	HC 672
Fifth Special Report	Employment Opportunities for Young People: Government response to the Committee's Ninth Report of Session 2016–17	HC 872
Sixth Special Report	Protecting pensions against scams: priorities for the Financial Guidance and Claims Bill: Government Response to the Committee's Third Report	HC 858
Seventh Special Report	A framework for modern employment: Government response to the Second Report of the Work and Pensions Committee and First Report of the Business, Energy and Industrial Strategy Committee	HC 966
Eighth Special Report	PIP and ESA assessments: Government Response to the Committee's Seventh Report	HC 986
Ninth Special Report	British Steel Pension Scheme: The Pensions Regulator Response to the Committee's Sixth Report	HC 987
Tenth Special Report	Pension freedoms: Government response to the Committee's Ninth Report	HC 1231
Eleventh Special Report	Carillion: Responses from Interested Parties to the Committee's Twelfth Report	HC 1392

Twelfth Special Report	Universal Credit: supporting self employment: Government Response to the Committee's Eleventh Report	HC 1420
Thirteenth Special Report	Employment Support for Carers: Government Response to the Committee's Thirteenth Report	HC 1463
Fourteenth Special Report	Carillion: Government Response to the Committee's Twelfth Report	HC 1456
Fifteenth Special Report	Assistive technology: Government Response to the Committee's Tenth Report	HC 1538
Sixteenth Special Report	Universal credit and domestic abuse: Government response to the Committee's Seventeenth Report	HC 1611
Seventeenth Special Report	Universal Support: Government Response to the Committee's Eighteenth Report of Session 2017–19	HC 1862
Eighteenth Special Report	Universal Credit: managed migration: Government Response to the Committee's Twentieth Report of Session 2017–19	HC 1901
Nineteenth Special Report	Benefit sanctions: Government Response to the Committee's Nineteenth Report of Session 2017–19	HC 1949
Twentieth Special Report	Universal Credit: support for disabled people: Government Response to the Committee's Twenty- First Report of Session 2017–19	HC 1998
Twenty-First Special Report	Two-child limit: Government Response to the Committee's Twenty-Third Report	HC 2174
Twenty-Second Special Report	The benefit cap: Government Response to the Committee's Twenty-Fourth Report	HC 2209
Twenty-Third Special Report	Universal Credit: childcare: Government Response to the Committee's Twenty-Fifth Report	HC 2422
Twenty-Fourth Special Report	Universal Credit: tests for managed migration: Government Response to the Committee's Twenty-Sixth Report	HC 2091