

**TUC submission to
the Education and Work
and Pensions Select
Committees inquiry on
the child poverty
strategy**



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Introduction and Summary

The TUC welcomes the Labour Government's 10-year Child Poverty Strategy and its efforts to address high child poverty levels. Measures such as ending the two-child limit, expanding free school meals are expected to significantly reduce child poverty.

The TUC brings together more than 5.3 million working people who belong to our 47 member unions. We support trade unions to grow and thrive, and we stand up for everyone who works for a living. Every day, we campaign for more and better jobs, and a more equal, more prosperous country.

The TUC appreciates the opportunity to submit evidence to the Education and Work and Pensions Select Committees' inquiry, which will consider how the government can ensure it delivers a successful child poverty strategy.

Our submission does not cover the full inquiry or assess every policy contained in the strategy, we focus in particular on policy seeking to address employment, social security, the cost of living and childcare provision.

Summary of TUC policy asks

Boosting Incomes

- Our response emphasizes breaking the cycle of stagnant GDP and falling real household incomes by targeting both rising GDP per head and real household disposable incomes.
- Ensuring full and proper implementation of the Employment Rights Act and the Make Work Pay agenda. Vital detail of these policies will be delivered via secondary legislation and it is important for child poverty outcomes that this is as robust as possible.
- The new rights to decent notice of shifts and compensation for cancelled shifts must be open to all workers on variable-hours contracts, not just those on the lowest hours or the lowest pay. The government must resist calls to limit the right to those with only small numbers of guaranteed hours and ensure that anyone with fewer than full-time hours guaranteed has a right to a contract that reflects their normal hours of work.
- A commitment to further increase the bite of the full minimum wage in the years ahead, alongside ongoing action to abolish discriminatory youth rates.
- The Employment Rights Act 2025 also delivers a major strengthening of trade union organising rights including by creating a new statutory framework for trade union workplace access and by significantly simplifying the statutory recognition process.

Strengthening workers' ability to organise and collectively bargain is one of the most effective ways to rebalance power, raise living standards, and support family stability. It is now vital that secondary legislation that underpins these new trade union access rights is robust.

- The child poverty strategy should support skills development for in-work progression, recognising the impact of union-led learning, especially for disadvantaged groups.
- Remove the overall benefit cap, without this some families will not feel the benefits of the removal of the two-child limit.
- Broader improvements to the adequacy of social security, and reforms to universal credit, such as ending the five-week wait, reviewing assessment periods, and increasing work allowances. The universal credit legislation also needs to be amended so that Maternity Allowance is treated in the same way as a Statutory Maternity Pay in universal credit calculations.
- Social security should better address housing costs; at a minimum restoring the Local Housing Allowance to 30th percentile. Abolishing the benefit cap would also help low-income renters.
- Do not proceed with extensions of No Recourse to Public Funds provisions, and reconsider wider application of this approach.

Saving Families' Money and Securing Finances

- Free universal school meals for all children across state primary and secondary schools.
- Substantially increase access to affordable and high-quality childcare. And establish a social partnership forum with unions, government, and employers to ensure fair pay and standards in the sector.
- Energy bill support should be reformed with tiered rates and targeted VAT adjustments for essential usage. The government must also prepare for economic shocks as a result of global tensions affecting household bills.

Strengthening Local Support

- A permanent crisis and resilience fund.

Target and Monitoring

- Legally binding, independently evaluated targets with clear milestones.

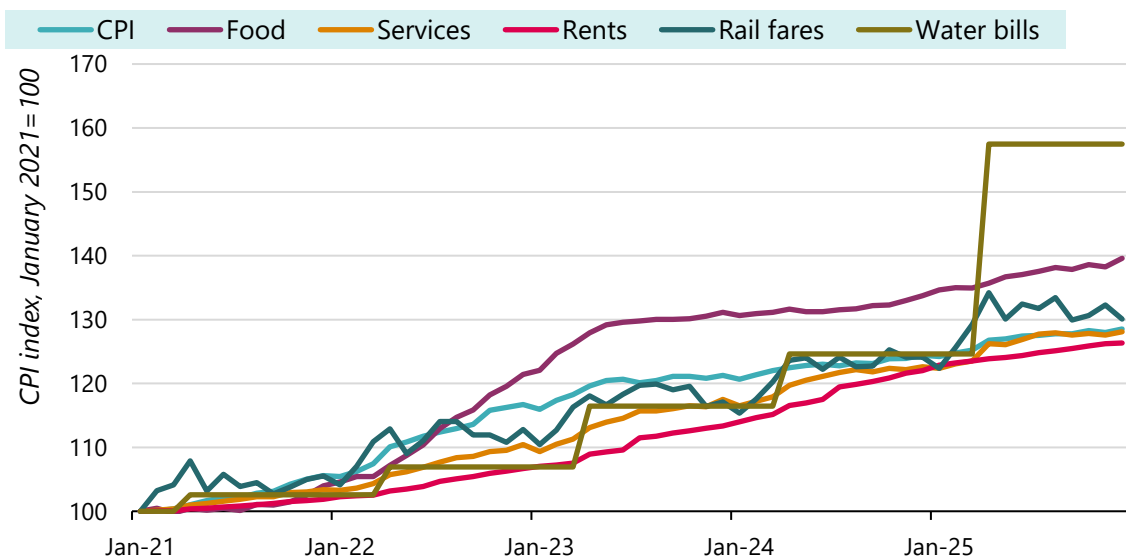
Strengthening outcomes

*Is the Child Poverty Strategy sufficiently ambitious?
Are the drivers and outcomes that the Government has to set out in the Strategy the right ones?*

Child poverty is at an all-time high. Child poverty was falling up to 2010, however since then has risen from 3.6 million to the current 4.5 million - 31 percent of all children.

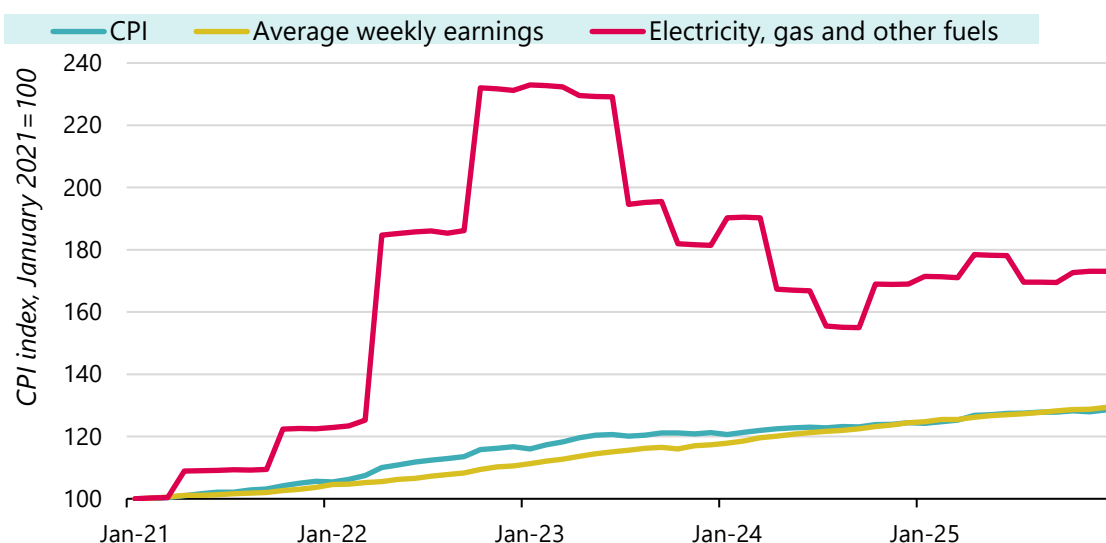
The implementation of austerity measures by the previous government, combined with wage stagnation and increased prevalence of insecure employment, have contributed to higher levels of child poverty. Additionally, since 2021, escalating costs particularly for food and utilities have exacerbated the cost-of-living challenges experienced by families.

Price changes over the past five years. CPI INDEX, January 2021=100



Source: TUC analysis of ONS CPI statistics

Energy bills and wage changes over the past 5 years index, January 2021=100



Source: TUC analysis of ONS CPI and labour market statistics

The child poverty strategy recognises that child poverty is a structural issue shaped by employment, income, housing, public services and cost of living. It is welcome that the child poverty strategy sets out plans to address structural drivers of poverty as well as the immediate support families growing up in poverty need.

The strategy incorporates several newly developed policies designed to address child poverty, alongside measures previously announced following the government's election last year. Additionally, many initiatives outlined in the strategy originate from broader government policies that, while not solely focused on child poverty, have the potential to mitigate underlying causes such as inadequate housing and insecure work.

The strategy also recognises that removing the two-child limit is the most effective way to reduce child poverty. The TUC has repeatedly called for this policy to be scrapped. This action will lift 450,000 children out of relative poverty within this parliament.

It sets out the important ambition to lift 550,000 children out of relative poverty by the end of this parliament as a result of policy change, which would be a record reduction in child poverty achieved by any government within a single parliamentary term. Although this is huge progress, this is only an initial step towards tackling child poverty: even after taking into account positive measures in budget 2025, it is projected that 4.2 million children will still be living in relative low income after housing costs during the last year of parliament.¹ The figure of 550,000 does not mean there will be half a million

¹ DWP February 2026 Low-income poverty projections for children, FYE 2025 to FYE 2031
<https://www.gov.uk/government/publications/low-income-poverty-projections-for-children-fye-2025-to->

fewer children in poverty in 2030 compared to the current estimate of 4.5 million; instead, it suggests there will be 550,000 fewer than if no government intervention had occurred.

The strategy recognises in contrast to the approach of the previous government, that employment does not necessarily provide a guaranteed pathway out of poverty. The TUC has highlighted an increase in in-work poverty since 2010: the latest data shows 8.1 million individuals in working households are living in relative poverty, representing a rise of 1.8 million since 2010. Fifty-seven percent of those experiencing poverty belong to working households. Of the 4.5 million children living in poverty, 72 percent equating to 3.2 million children are from working households.²

In our evidence to the child poverty strategy, we stressed decent jobs enable more people to move into work, and to stay in it. Higher wages and progression routes reduce the chances of persistent poverty. Enabling more people to find work that fits with their wider caring commitments or health needs and ensuring that the jobs they move into are secure, gives them flexibility to earn and care. This relies on more low-paid jobs offering better terms and conditions. Ensuring full implementation of the government's plan to Make Work Pay is essential to achieving this ambition.

On poverty metrics, we are pleased that child poverty is being measured using the relative low-income standard after housing costs, where households earning less than 60% of the median income are classified as relatively low income. The 60% of median income benchmark is mainly used to assess relative poverty, especially among Eurostat and OECD member countries, making international comparisons possible.

The strategy also has an additional metric which we believe complements the low-income statistical standard. This is the newly developed metric of deep material poverty, based on existing material deprivation questions. Families are asked whether they can afford 13 items identified by the public as the most essential, covering basic needs such as food, heating and housing. If a family is lacking four or more of those items for financial reasons, they are judged to be in deep material poverty. This measure is designed to focus on those children who are experiencing the most acute material deprivation. And the strategy recognises whether a family can afford items is affected by much more than just income, such as the cost of items, and the support they receive locally.

Although we value the ambitious efforts made in the child poverty strategy, with the expectation that the policy measures set out will see a significant fall in the numbers of children who would otherwise be in poverty, we are disappointed that there are no specific targets for reducing child poverty across the parliament or beyond it. We feel this is necessary to ensure the child poverty strategy can be ambitious. Simply relying

[fye-2031-february-2026/low-income-poverty-projections-for-children-fye-2025-to-fye-2031-february-2026#methodology](#)

² DWP - Households Below Average Income Data - March 2025 - (latest data covers 2023-24)

<https://www.gov.uk/government/collections/households-below-average-income-hbai--2>

on annual reports to measure progress from the baseline is insufficient for long-term monitoring or evaluation. We will discuss this concern in more detail later in our response.

Are there any policies and initiatives that could strengthen the outcomes in:

Boosting families' incomes

Poverty arises from insufficient income; boosting family income is key to reducing child poverty.

Income from work

Wages are the central determinant of living standards for most families in Britain, yet employment does not always prevent poverty. Addressing in-work poverty requires decent wages, secure work, progression opportunities for those on low incomes, adequate social security, and affordable childcare and housing costs.

Wages

Workers have only recently emerged out of a 16-year pay crisis that began with the 2008 financial crisis. Real weekly pay was hit hard by the financial crisis, with real average weekly pay falling consistently between 2008 and 2014. Recovery from this hit was slow, due to a combination of government policies such as the public sector pay freeze, Brexit and the further hit of the pandemic. Real average weekly wages only just returned to their 2008 level in mid-2024. This makes it the longest pay squeeze for two centuries.

Despite recent wage growth, TUC analysis shows average real weekly wages in December 2025 were just £15 (2.2 per cent) above where they were in January 2008. Between January 2000 (when current records began) and January 2008, average real weekly wages typically grew at a rate of 2.3 per cent each year. If real weekly wages had instead grown at this pre-2008 rate in the eighteen years between January 2008 and December 2025, they would now be £309 higher.

The impact of pay erosion has had serious consequences for workers' cost of living.

The UK needs to break free from its persistent recent cycle of stagnant GDP and falling real household incomes. While higher GDP per head is needed to secure more better jobs and higher wages, rising consumer incomes and subsequent higher spending also make an important ongoing contribution to our economic health. The government is right to focus their growth mission on achieving both rising real household disposable

incomes and higher GDP per head³ : economic policy must simultaneously target both stronger output and rising living standards.

The minimum wage has been a vital driver of higher pay, 2.5 per cent of jobs were low paid in 2025 on an hourly basis, down from 21.8 per cent in 1997.⁴ And the evidence of recent years suggests the minimum wage can be raised further. The child poverty strategy should recognise the crucial role the minimum wage has played in driving down low pay and support an ambitious approach to future rises. The government must ensure future Low Pay Commission remits include future targets of median wages – we have suggested an ambition of 75 per cent. This would empower the Low Pay Commission to take an ambitious approach underpinned by its well-established model of social partnership. In the short-term, the government must remain committed to equalising discriminatory minimum wage youth rates.

Secure work

There are multiple barriers faced to move into employment and progress in low paid employment. These can relate to the skills and training of individuals, but also to the health and care services available to them. The terms and conditions of different roles also matter. TUC analysis shows insecure work is now a daily reality for 4 million UK workers⁵. A pay penalty is associated with these forms of work, with workers often experiencing low pay and economic hardship. Insecure work increased by 800,000 from 2011 to 2024, and the increase in insecure work has been disproportionate to the rise in the overall employment level. Insecure work grew by 25 percent compared to 15 percent employment growth over this period.

Good work can boost employment rates and hours, and enable progression for workers. The government has taken significant steps to improve the quality of work for workers via its plan to Make Work Pay. The Employment Rights Act 2025 includes important new provisions to provide people with guaranteed hours, rights to notice of shifts, compensation for cancelled shifts and day one sick pay, this is a crucial step towards driving up job quality. The government should ensure full and rapid implementation of the Employment Rights Act and wider Make Work Pay agenda.

Vital detail of these policies will be delivered via secondary legislation and it is important for child poverty outcomes that this is as robust as possible. On one-sided flexibility it is crucial that all those with variable hours benefit from the protections that the new Act can offer. The government must resist calls to limit the right to those with only small numbers of guaranteed hours and ensure that anyone with fewer than full-time hours has a right to a contract that reflects their normal hours of work. The

³ PMO office - Kickstarting Economic Growth - <https://www.gov.uk/missions/economic-growth>

⁴ ONS 2025 - Low and high pay in the UK -

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/lowandhighpayuk/2025>

⁵ TUC 2025 - Employment Rights Bill – a lifeline for four million insecure workers -

<https://www.tuc.org.uk/blogs/employment-rights-bill-lifeline-four-million-insecure-workers>

Resolution Foundation has estimated that setting the guaranteed hours threshold at seven to eight hours per week (the approximate length of one shift) would exclude about three-quarters of all variable hours workers from the right to a guaranteed hours contract.⁶ Such a low threshold would create perverse incentives for employers to pre-emptively offer workers contracts just above the threshold to evade the new protections. Someone with a small number of guaranteed hours, but regularly working far more hours per week, is vulnerable in a similar way to a zero-hours worker to a sudden cut in their hours and income.

Likewise, the new rights to decent notice of shifts and compensation for cancelled shifts must be open to all workers on variable-hours contracts, not just those on the lowest hours or the lowest pay. For too long business risk has been passed onto workers on variable hours who can frequently find that shifts are cancelled at very short notice, or indeed part-way through a shift. This gives them insufficient time to find alternative work while also having to bear the brunt of expenses such as invariably inflexible childcare. When the government comes to draft regulations, ministers must ensure that workers get full compensation that would protect families from such shocks to household income.

Moving from the one-sided flexibility of zero-hour and short-hours contracts to a system of strengthened employment rights would also allow more people to manage work around health issues and caring responsibilities. Making flexible working the default would also allow more people to move into and stay in work. We welcome the steps forward in the Employment Rights Act, which will mean employers can only refuse a flexible working request if it is reasonable for them to do so. The Secretary of State will also be able to set out specific steps in regulations which an employer must take to comply with the requirement to consult before rejecting an application. These changes are important to expand access to flexible working and make the request process more transparent.

The TUC also supports the introduction of a legal duty on employers to consider which flexible working arrangements are available in a role and publish these in job advertisements, with new postholders having a day one right to take up the flexible working arrangements that have been advertised. If an employer does not think that any flexible working arrangements are possible, they should be required to set out that no form of flexible working is suitable in the job advert and why.

The Employment Rights Act 2025 also delivers a major strengthening of trade union organising rights including by creating a new statutory framework for trade union workplace access and by significantly simplifying the statutory recognition process. Under the Act, independent unions will gain the right to physical and digital workplace access. The purpose of access is to enable union officials to meet, support, represent,

⁶ Resolution Foundation 2025, Where next for the Government's employment reforms?
<https://www.resolutionfoundation.org/app/uploads/2025/07/Low-Pay-Britain-2025.pdf>

recruit, organise workers, and/or to facilitate collective bargaining. It is now vital that secondary legislation that underpins these new rights is robust.

In parallel, the Act removes some of the onerous barriers to statutory recognition. The Act empowers the Government to lower the membership threshold for making a recognition application from the current 10% to as little as 2%. As well as this, unions will no longer need to demonstrate likely majority support before applying, and the 40% overall workforce ballot threshold will be abolished. As with any election, a simple majority of votes will be needed for recognition. These reforms will make it significantly easier for unions to organise, recruit and secure statutory bargaining rights across the economy. As a result, workers will be able to win a fair deal more easily, and workers across the UK will be able to benefit from collective bargaining. Workers at unionised workplaces benefit from a wage premium.⁷

Measures that strengthen families' ability to earn higher wages have a direct anti-poverty effect. Through their unions, workers are better able to win better child-friendly policies, like more generous parental leave packages and care support. With 72% of children in poverty coming from working households, the labour market is a major driver of long-term child poverty. Strengthening workers' ability to organise and collectively bargain is one of the most effective ways to rebalance power, raise living standards, and support family stability.

Progression opportunities for those on low incomes

In-work progression can also move individuals out of low pay. However, lack of progression is commonplace among those who are low paid. A 2015 report examined how the UK compares to other EU countries and found in terms of earnings progression from low pay the UK is at the lower end of the distribution, ranked just 19th out of 22 countries.⁸

The lowest paid and least qualified are most likely to miss out on training. In-work training can be a powerful tool to break out of the low pay trap. But lower wage workers have fewer opportunities to build their skills and escape low pay.

The child poverty strategy should deliver focused measures to support in-work progression through skills development.

Trade unions play a vital role in supporting adults to take up learning and training, especially through the role played by union learning representatives. Independent evaluations of union learning have highlighted that the impact is particularly powerful

⁷ DBT 2025 – Trade Union Membership - <https://www.gov.uk/government/statistics/trade-union-statistics-2024/trade-union-membership-uk-1995-to-2024-statistical-bulletin#:~:text=Overall%2C%20between%201995%20and%202024,1995%20to%2022.0%25%20in%202024>.

⁸ DWP 2004- International Evidence Review on In-work Progression - <https://www.gov.uk/government/publications/international-evidence-review-on-in-work-progression/international-evidence-review-on-in-work-progression#fn:2>

in relation to disadvantaged groups. The child poverty strategy should recognise the benefits that union-led learning can bring.

We would like to work with government to pilot a £5-10m Learning Agreement Fund, which would enable unions and employers to negotiate learning agreements and ensure greater participation rates from underrepresented groups in adult education and workplace learning. The overall objective of the pilot would be a national fund to support union and employer partnership working to raise collective bargaining for skills and improve the likelihood of upskilling and progression for priority groups.

The strategy also says the 'right employment support can help parents overcome complex barriers to work, increase their hours and earnings.' However, there is the absence of a dedicated parental employment programme. The reforms to employment support outlined in the strategy, were previously announced in the government's Employment White Paper, and are focussed on getting economically inactive people in to work. While these reforms will include some parents, many challenges facing working mums and dads may not be addressed by these general measures.

Social security

While increasing employment levels, better job security and rising pay will increase household income, in-work benefits also play an essential role in improving living standards of individuals and families. This is particularly the case for those who need to work shorter hours, including single parents and people who are disabled or working with health conditions along with those with caring responsibilities, and where families have extra costs in bringing up children.

There will always be those who cannot work due to caring and health issues, or have just lost their job – social security can be their only form of income. Working age benefits should cover the essentials e.g. food, accommodation, and clothing, and should not just be about being able to survive, they should allow people to live in dignity allow them to participate in society.

The UK's benefits system has been dramatically weakened after harsh cuts since 2010. These cuts to social security are the primary driver of rising child poverty in the UK.⁹ The Child Poverty Action Group (CPAG) estimates that, even factoring in the scrapping of the two-child limit, the UK government spends over £50 billion less a year on social security than it would do if cuts and changes introduced since 2010 hadn't happened.¹⁰

Change must go beyond removing the two-child limit in universal credit; far more must be done to ensure social security can support adequate living standards. Even with the

⁹ CPAG 2024 - State of the Nations: lessons in tackling child poverty from across the UK - <https://cpag.org.uk/news/state-nations-lessons-tackling-child-poverty-across-uk#:~:text=Since%202010%2F11%2C%20child%20poverty%20has,changes%20since%202010%20hadn%27t%20happened.>

¹⁰ CPAG 2025 - CPAG's response to the child poverty strategy- https://cpag.org.uk/sites/default/files/2025-12/CPAG_child_poverty_strategy_response.pdf

removal of the two-child cap, the government's own impact assessment shows that around 60,000 families will see some or all of their newly available support clawed back by the wider benefit cap.¹¹ This should also be removed.

As CPAG point out those most likely to be capped are lone parents, larger families and families with young children.¹² These groups are more like to have barriers to entering employment or increase their hours. Evidence shows that the cap has also had a negligible impact on work incentives.¹³ In 2025, 82% of benefit capped households included children¹⁴ and approximately 43% of capped households had three or more children, meaning these households will not feel the full effects of the removal of the two-child cap.¹⁵

Overall the UK has some of the least generous welfare across the OECD: the UK ranks in the middle of OECD countries for welfare spending (as a per cent of GDP) and third lowest for welfare value (per cent of average wages).¹⁶ While the Universal Credit Act (2025) delivered the first sustained above inflation rise in the basic rate of universal credit since it was introduced, the rate remains inadequate and not based on any assessment of needs. The Act requires that by 2029/30 the standard allowance must rise to at least 4.8% above the level it would have reached had it risen solely by inflation since 2025/26. It is estimated the universal credit standard allowance for a single person aged 25 will rise by £725 in cash terms by 2029/30.

More widely, the child poverty strategy does not cover the shortfalls of the wider social security system, including the need for broader uprating of benefits.

Universal credit

In addition to providing income transfers a good social security system will also incentivise working additional hours for those who want to. Universal credit was sold as making work pay, however its design fails to fully deliver on this.

Since universal credit was introduced, eligibility for work allowances has been reduced and there has been changes to the amount of the allowances. The design of universal

¹¹ WBG 2026 - Two-Child Limit Removal is a huge step forward, but poorest will still lose out, - <https://www.wbg.org.uk/article/two-child-limit-removal-is-a-huge-step-forward-but-poorest-will-still-lose-out-warns-wbg/>

¹² CPAG 2025 - The benefit cap: our position- <https://cpag.org.uk/policy-and-research/our-position/benefit-cap-our-position>

¹³ IFS 2023 - What impact did lowering the benefit cap have? <https://ifs.org.uk/articles/what-impact-did-lowering-benefit-cap-have>

¹⁴ DWP 2025 - Benefit cap: number of households capped to August 2025 - <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-august-2025/benefit-cap-number-of-households-capped-to-august-2025>

¹⁵ DWP 2025 - Proportion of UC Capped households to August 2025 - <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-august-2025/benefit-cap-number-of-households-capped-to-august-2025>

¹⁶ NIESR - UK Living Standards Review 2025 - <https://niesr.ac.uk/publications/uk-living-standards-review-2025?type=report>

credit has a high taper rate, while the taper rate is 55 per cent this can be between 60 and 70 percent once taxes and national insurance are taken into account. To make matters worse, second earners in a household receive no work allowance, so all their initial earnings are immediately subject to the taper. As second earners are more likely to be women, this disproportionately hits women's earnings.

Work allowances play a crucial role in increasing hours and income for those in work and need to be used effectively to reduce in-work poverty. The social security system should recognise that targeting increases in the work allowance to those who are more responsive to them encourages greater take-up of hours. Single parents and second earners in couples with children are more responsive to work allowances.

Options to improve work incentives and hence hours in universal credit include increasing work allowances, allowing the second earner in a couple to have a work allowance, and reduced taper rates.

There are other aspects of the design of universal credit which can exacerbate child poverty. Claimants must wait at least five weeks for their first payment, this means that at the point when families may be at their most vulnerable, the system fails to support them and adds to the turbulence of their finances. Universal credit fails to recognise that most low-paid workers do not have savings to get them through this wait. But the assumption that claimants should have a final monthly pay packet or savings to get them through this five-week wait is not supported by evidence. There is no justification for a five-week wait for a first payment of social security this needs to be replaced.

Along with redesigning the initial payment in universal credit, the whole monthly assessment period needs to be reviewed. Universal credit's monthly assessment periods and payment schedules are complex, causing fluctuating incomes and mismatches with pay cycles. The system favours those with stable income, but even they can experience issues when pay dates don't align with assessment periods, sometimes resulting in reduced benefits if two wage payments fall within one assessment period. Although recent legal changes help those paid monthly, problems remain for people paid four-weekly, weekly, or fortnightly—many of whom face a shortfall, making it difficult to budget.

USDAW our affiliated union tell us 78% of their members on universal credit are paid four weekly, this means their universal credit payment can be reduced by £800 for one month a year, leaving them unable to budget. Having a benefits system that uses 12 live assessments each year to assess the level of benefit payment, when many claimants are paid 13 times each year simply does not represent the working lives of in-work claimants of universal credit.

Our 2022 report recommended replacing monthly assessments with longer three-to-six-month periods to provide greater stability and allow claimants to request reassessment if their circumstances change¹⁷

We are also concerned that Maternity Allowance is failing in its intended purpose of protecting many women who are not eligible for Statutory Maternity Pay – for example by reason of self-employment, and insecure, low-paid work. This is because of the anomaly in the way Maternity Allowance is treated for universal credit purposes. Maternity Allowance is classified as unearned income and counted pound-for-pound, meaning that a Maternity Allowance claimant who receives universal credit can be more than £6,000 a year worse off compared to a woman on universal credit and Statutory Maternity Pay. The universal credit legislation needs to be amended so that maternity allowance is treated in the same way as a Statutory Maternity Pay.

Recourse to Public Funds (NRPF)

Many children in the UK experience poverty because their parents have certain immigration statuses. If parents are labelled as having 'No Recourse to Public Funds' (NRPF), this can prevent access to social security benefits like universal credit, child benefit, or housing support. As a result, migrant families including those with British citizen children, face much higher risks of poverty and hardship.

In 2024, over half a million (578,954) children (under 18s) were recorded as having a visa or leave to remain in the UK, which comes with an NPRF condition.¹⁸ Although not all will be in poverty it is difficult to say how many as there is no comprehensive data on how many children are subject to NRPF restrictions and are in poverty. They are excluded from the poverty statistics.

The child poverty strategy acknowledges that vulnerable migrant children need support, regardless of immigration status. However, aside from better data collection via the Family Resources survey, it offers no practical steps to address child poverty for them.

The government's proposed plan to extend settlement timelines for migrant families is expected to increase the duration of financial hardship for a greater number of families affected by NPFR. If the government goes ahead there is a risk of extended period of no access to public funds that will exacerbate child poverty.

¹⁷ TUC 2022, 'A replacement for Universal Credit' <https://www.tuc.org.uk/research-analysis/reports/replacement-universal-credit>

¹⁸ CASE 2025 - Poverty among children affected by UK government asylum and immigration policy - <https://www.compas.ox.ac.uk/wp-content/uploads/2025-b-Joint-CASE-COMPAS-Poverty-Among-Children.pdf>

Denying families access to public funds risks pushing entire households into poverty. To have an effective child poverty strategy Government must also remove the NPRF restrictions. Everyone living in the UK must have access to public funds.

Housing

The strategy acknowledges that addressing housing affordability will boost family income. The government has pledged the largest increase in social and affordable housing in decades. The new ten-year, £39 billion Social and Affordable Homes Programme will kickstart social and affordable housebuilding at scale across the country.

Additionally, further support includes ending the unlawful use of Bed and Breakfast accommodations for families, ensuring that housing in both the social and private sectors meets suitability standards, and providing tenants with greater security by eliminating Section 21 'no-fault' evictions.

The strategy says that the social security system will maintain support for low-income households to help them afford rent. Additionally, it states that support levels in the private sector will continue to be reviewed. However, the strategy does not resolve the issue that social security provisions for housing costs have not kept pace with rising rent prices, leading to increased financial pressure on low-income families.

The number of children in the private rental sector has grown from one in twelve to one in five over the last 20 years.¹⁹ In 2023-24, private renters spent the highest proportion of their income on housing (34%), followed by social renters (26%) and mortgagors (19%). This is especially pronounced among those in the lowest income quintile, where the proportion of household income spent on rent for private renters rose from 56% in 2019-20 to 63% in 2023-24²⁰

Local Housing Allowances (LHA) which determine how much can be claimed for housing support in the private rented sector (PRS) are based on where you live and the size of your family. This was originally based on median rents in a local area, however in 2011 there was a substantial cut in generosity so that only the 30th percentile of rents was covered in an area, subsequently rates have been frequently frozen and unfrozen from year-to-year.

Setting LHA at the 30th percentile means that in many areas there are too few homes actually available for rent which meet a family's needs.

¹⁹ IPPR 2025 - The homes that children deserve: Housing policy to support families - <https://www.ippr.org/articles/homes-children-deserve>

²⁰ MHCLG 2025 - English Housing Survey 2023 to 2024: experiences of the 'housing crisis' <https://www.gov.uk/government/statistics/english-housing-survey-2023-to-2024-experiences-of-the-housing-crisis/english-housing-survey-2023-to-2024-experiences-of-the-housing-crisis#:~:text=In%20particular,%20private%20renters%20in,of%20income%20on%20housing%20costs.>

The freeze on Local Housing Allowance (LHA) from 2020 ended briefly in April 2024, relinking it to the 30th percentile of local rents for a year. Since then, LHA has remained fixed while rents have continued to rise, increasing financial shortfalls for families with children on universal credit; IPPR analysis in 2025 found 48% face gaps between their housing costs and housing element.²¹ This forces families to reduce spending on essentials and increases poverty risk, especially as rents have risen by 10% since 2024. The household benefit cap further limits support, with London residents particularly affected. To better support low-income private renters, the government should at a minimum restore LHA to the 30th percentile and abolish the benefit cap, this would offer immediate relief and prevent homelessness before the long-term housing strategy is implemented.

The number of children in homeless families living in temporary accommodation increased to the highest levels on record, up 12,020 in a year to 175,990. More than 130,000 households live in temporary accommodation in total²²

It is essential that the LHA is restored and the benefit cap removed. IPPR analysis shows for 2024/25, for these two policies it would cost around £1.2 billion and lift an estimated 90,000 people out of poverty, including 40,000 children. And increasing local housing allowance to the 50th percentile, would have cost an additional £800m and reduced poverty by another 60,000 including 30,000 children.²³

Disability and health related benefits

Official data also shows that children living in families where someone is disabled are more likely to live in poverty than those who are not. TUC analysis using the Households Below Average Income (HBAI) data shows that the proportion of children in poverty living in families where someone is disabled rose from 31% in 2010/11 to 44% in 2023/24²⁴. Thus, highlighting many poor children live with disabled parents and equally, disabled children may be more likely to be poor as their parents are not able to work, given their caring responsibilities.

While efforts are being made to encourage disabled people enter into work and stay in work the policy needs to recognise the many barriers in to work. We highlighted numerous policy changes to alleviate barriers in our response to the Mayfield Review

²¹IPPR 2025 - Getting the child poverty strategy we need
https://ippr-org.files.svdcdn.com/production/Downloads/Child-Poverty-Strategy_Final.pdf?dm=1749027443

²² Guardian 2026- Councils' temporary housing costs to more than double by 2029-30 -
<https://www.theguardian.com/society/2026/mar/03/council-temporary-housing-costs-more-than-double-2029-30-lga>

²³ IPPR 2025 - The homes that children deserve: Housing policy to support families -
<https://www.ippr.org/articles/homes-children-deserve>

²⁴ DWP 2025 - Households below average income: for financial years ending 1995 to 2024-
<https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2024>

on keep Britain working.²⁵ The report highlights putting in place reasonable adjustments continues to be one of the best ways to ensure disabled workers can thrive in work.

To support parents of disabled children in to work, better access to flexible working will make it easier for people to secure working patterns that fit around their impairments and/or health condition. The TUC believes the government has a key role to play in making flexible working the default. We welcome the steps put forward in the Employment Rights Act , which will mean employers can only refuse a flexible working request if it is reasonable for them to do so. And as we discussed earlier the TUC also supports the introduction of a legal duty on employers to consider which flexible working arrangements are available in a role and publish these in job advertisements, with new postholders having a day one right to take up the flexible working arrangements that have been advertised.

Although entering employment has the potential to raise household income, social security remains essential. Individuals with health and disability conditions may only be able to work limited hours, and there will always be some who are unable to participate in the workforce. It is therefore vital that they have access to sufficient social security support.

While recent proposed changes to PIP have been reversed there will still be a reduction in the universal credit health from April 2026 to new claimants. Children in these families will be impacted by the reduced income the family receives, and this could result with them ending up in poverty. The review into personal independence payment must not result in any increase to child poverty levels.

Saving families' money and securing families' finances

Free school meals

We welcome the expansion of free school meals to all children in universal credit households; this will begin in September and will save families around £500 a year per child. This is the second largest of the poverty reduction measures in the strategy, after abolition of the two-child limit and it is estimated this will reduce child poverty by 100,000 by the end of this parliament. We see this as the first step to achieving universal free school meals.

The TUC supports universal free school meals for all primary and secondary children, as many low-income families miss out as they earn just above the universal credit threshold. And currently it is also a postcode lottery with who can get a free school

²⁵ TUC 2025 Keep Britain working: an independent review into the role of employers in health and disability - <https://www.tuc.org.uk/research-analysis/reports/keep-britain-working-independent-review-role-employers-health-and>

meal in the UK, Wales and Scotland have free school meals, and in England it is limited to London.

A balanced meal each day for children can help to boost children's learning and attainment. And when free school meals are universally available to all children it removes the stigma associated with receiving a free school meal, increasing take up among the children who most need this.

Food insecurity is high as the cost-of-living crisis continues. Food prices rose by 40 percent (using CPI) since 2021. With families under immense financial pressure, it is more important than ever to provide free school meals for every child. For many children, free school meals are their main source of hot and nutritious food.

Free school meals help ease family household budgets and allow funds to be spent on other essential living expenses. After years of squeezed living standards families on low and middle incomes across the country would welcome more help with school meals.

Childcare

The lack of affordable wrap around childcare puts significant financial strain on families, impacting parental, particularly maternal participation in the labour market. Despite the expansion of government funded hours.

OECD data from 2023 shows the UK as one of the most expensive OECD countries for childcare, with families spending a higher proportion of income than in comparable nations. UK parents spend about a quarter of their average salary on childcare costs.²⁶ Although the recent OECD figures do not enable direct post-expansion comparison, they confirm UK childcare is still far more expensive than other countries.

The average cost of full-time nursery (50 hours per week) for a child under two in England is £238.95 a week and for two-year olds £225.70 per week ,according to the 2025 Childcare Survey by the children's charity Coram. This is more than 20 percent less from 2024, the survey shows, reflecting the incremental expansion of government-funded childcare hours since April last year.²⁷

Government funding for childcare has increased for children up to the age of four. We welcome the investment which has had a significant impact on costs for many families, but remain concerned that there are still design, delivery and distributional issues. Concerns remain that the funding for the expanded offer fails to meet the true cost of delivery, which places additional strain on a sector that is already stretched thin. And the hours only cover term time and there is no wrap around support for working families.

²⁶ OECD 2023 cited in <https://www.weforum.org/stories/2023/07/highest-childcare-costs-by-country/>

²⁷ Coram 2025 - Childcare Survey 2025 <https://www.coram.org.uk/wp-content/uploads/2025/03/ChildcareSurvey2025-1.pdf>

Analysis from the Institute for Fiscal Studies (IFS) done after the expansion of child care for young children announced in March 2023 Budget, estimates that just over half of families with a child aged nine months to two years will directly benefit from the Budget entitlements. But this differs dramatically across the income distribution: based on patterns of childcare use in 2019, it includes just a fifth of families earning less than £20,000 a year, but four-fifths of those with household incomes above £45,000.²⁸ Ofsted also found in a 2024 report that overall access to childcare had declined in England since 2020 and that decline had not been evenly spread across the country, with the most deprived areas having persistently low access to childcare.²⁹

In addition, we have concerns around eligibility for childcare support for those participating in training. Many young parents in training or apprentices will not qualify for government funded childcare hours as they will not meet the minimum earnings threshold. Young parents also need support towards the cost of childcare. The current system could act as a disincentive to entering and continuing with training or an apprenticeship which could be beneficial for longer term progression.

Eligibility for funded hours childcare should also be extended to parents in training or studying in order to support and encourage parent/s to increase their earnings.

Improving affordable, flexible, and quality childcare is vital for supporting working families and for children's development. The child poverty strategy should focus on advancing childcare, including establishing a social partnership forum with unions, government, and employers to ensure fair pay and standards in the sector.

The 2025 budget increased the maximum childcare reimbursement under universal credit by £736.06 per child beyond two, but families can still only claim 85 of costs and must pay upfront when starting or increasing work. While the Flexible Support Fund (FSF) offers non-repayable help for the first month's childcare, access is inconsistent³⁰ and does not address future upfront payments. The previous government's plan to help universal credit recipients cover initial childcare payments when starting work or increasing their hours has not been fully realised since its implementation.³¹

²⁸ IFS 2023 - Early years spending update: Budget reforms and beyond - <https://ifs.org.uk/publications/early-years-spending-update-budget-reforms-and-beyond#:~:text=7.,have%20otherwise%20paid%20for%20themselves>

²⁹ Ofsted 2024 - Changes in access to childcare in England - <https://www.gov.uk/government/publications/changes-to-access-to-childcare-in-england/commentary-changes-in-access-to-childcare-in-england#main-findings>

³⁰ Citizens Advice 2024 - [The \(In\)Flexible Support Fund is failing people trying to move into work](https://wearecitizensadvice.org.uk/the-in-flexible-support-fund-is-failing-people-trying-to-move-into-work-856d2828e6c4) - <https://wearecitizensadvice.org.uk/the-in-flexible-support-fund-is-failing-people-trying-to-move-into-work-856d2828e6c4>

³¹ OBR 2024 - Economic and fiscal outlook – <https://obr.uk/efo/economic-and-fiscal-outlook-october-2024/>

Awareness around FSF use needs improvement among claimants and work coaches, as its application varies across job centres. Upfront payments in later months remain unresolved.

Our 2022 publication 'a replacement for universal credit' highlighted issues with upfront childcare payments, complex assessment periods, and fluctuating incomes, which can hinder work progression and sometimes discourage employment. The TUC recommends that childcare support be taken out of universal credit.³²

The government has committed to conducting a review of childcare provision, the purpose of this review is to simplify the system for providers and families to make it easier to access childcare. Low-income families face particular barriers to accessing provision, so it will be important that the review prioritises the needs of families living in poverty.

The government's breakfast clubs are a positive initiative, but they need sufficient funding for staffing, good nutrition, and accessibility for low-income families. Existing staff should not be stretched; their hours and conditions must be protected.

Rising energy bills

The Warm Home Discount helps low-income families by providing a £150 annual rebate toward their energy bills. The scheme has now expanded to cover around 6 million households, this means nearly twice as many families with children now qualify—an estimated 1.9 million.³³ While this expansion will help household bills, families with children often face energy costs each year that far exceed the £150 relief provided.

At Budget 2025 government aimed to reduce average bills for all by temporary measures. It was announced in 2026 energy bills would reduce by £150 over the year.

Despite this support it remains the case that domestic energy bills are high, they have increased by around 70 percent since 2021. We therefore recommend that the government should look to more demonstrable solutions to this situation, we suggest-

- Introduce a new domestic energy billing structure that provides a low and fixed rate for sufficient energy to cover essential needs (variable according to family size, property archetype, receipt of benefits, and energy requirements for those with disabilities) along with several higher rates for high and luxury usage.

³² TUC 2022, 'A replacement for Universal Credit' <https://www.tuc.org.uk/research-analysis/reports/replacement-universal-credit>

³³ DESNZ 2025 - Expanding the Warm Home Discount Scheme, 2025 to 2026: consultation document <https://www.gov.uk/government/consultations/expanding-the-warm-home-discount-scheme-2025-to-2026/expanding-the-warm-home-discount-scheme-2025-to-2026-consultation-document-accessible-webpage#introduction>

- Adjust VAT on domestic energy. Current flat 5% VAT rates could be replaced by a 0% assessment for essential usage levels along similar lines to the above, with higher usage being taxed at 10%, and luxury usage (for example for private swimming pools) taxed at 20% or more.³⁴

Current global events threaten future living standards. The government should be prepared to protect households and businesses from further shocks. It's positive that bills are dropping and protected until summer, but ministers must be ready to act afterwards if necessary.

Strengthening local support

The child poverty strategy details a wide set of initiatives to strengthen local support to drive down poverty. The Pride in Place programme to strengthen local communities; plans to roll out Best Start Family Hubs in every local authority in England; the Better Futures Fund to invest in long-term life chances; a new Crisis and Resilience Fund to protect households from falling into crisis. The strategy also includes empowering local government and strategic authorities with the tools they need to prioritise child poverty through the new Outcomes for local government and the English Devolution and Community Empowerment Bill.

We have long supported a crisis and resilience fund that provides a permanent source of grants to support those facing hardship. While the fund is for three years we do welcome the commitment to multi-year funding, and see this as a first step to something permanent. The long -term need for discretionary crisis support to help people respond to unexpected events will remain far beyond the end of the planned three -year funding.

From April 2026, the new three-year fund will enable local authorities in England to support people facing immediate financial hardship and also help households strengthen their financial resilience. And the new £1 billion per year CRF is set to replace the Household Support Fund (HSF) from April 2026. We previously noted that the short-term duration of the HSF created uncertainty for local authorities budgets.

³⁴ TUC 2025 - Budget Submission - <https://www.tuc.org.uk/research-analysis/reports/tuc-submission-autumn-budget-2025>

Monitoring and evaluating progress

Should the Child Poverty Strategy include measurable targets and interim targets? If so, what should they be?

What is your view of the Government's proposed 'Monitoring and Evaluation Framework' for the Child Poverty Strategy? How could it be improved?

What should be included in the Government's baseline report this summer?

The publication says further details on the monitoring and evaluation approach will follow in a baseline report in Summer 2026. This will reflect the latest statistics and evidence and provide further details on plans for a full programme of reporting and analysis. We will report on an annual basis each Summer thereafter to monitor and evaluate progress over time and against the baseline position.

The strategy does not set clear targets for reducing child poverty, aside from indicating how many children would be lifted out of poverty by the measures included. The lack of targets is a shortcoming to the strategy this should be addressed in the summer 2026 update.

It is essential that the strategy puts in place legally binding targets with clear milestones. Without tangible binding targets within the strategy, it makes it harder to hold the government to account.

CPAG report their research showed that governments that have set ambitious yet achievable targets (such as halving child poverty within 10 years) found that having a defined and shared goal helped galvanise different parts of government and their delivery partners to implement poverty-reducing policies over multiple years.³⁵

And their research has found that the strategy needs to establish robust accountability mechanisms to support momentum in the longer term. We support their thinking on this – the monitoring and delivery plans should include a commitment to report to Parliament annually on the success of the action the government is taking to reduce child poverty (ideally measured against targets), and the establishment of an independent body with a duty to monitor and advise the government on its progress.

At a minimum, we think the baseline report should reference the number of children in poverty with NPRF, provide an equalities analysis, and include data on the number of children in poverty within working families.

³⁵ CPAG 2025, CPAG's briefing on the child poverty strategy - <https://cpag.org.uk/news/cpags-briefing-child-poverty-strategy>