



North East Child Poverty Commission Autumn Budget 2024 submission

North East Child Poverty Commission

The [North East Child Poverty Commission](#) (NECPC) is a regional, cross-sector network which believes child poverty in the North East of England is not inevitable and ending it is worth working for, together. NECPC is hosted by – but independent of – Newcastle University.

Our members are collectively ambitious for **every** baby, child and young person in the North East – with a shared vision of all growing up in our region not just healthy and secure, but having the best start in life: able to fully participate and thrive in education and extra-curricular activity; to pursue the things they love, with exciting futures ahead of them; and able to benefit from everything our beautiful region has to offer. However, we know that growing up in poverty makes it much more difficult to enjoy that inclusive childhood; restricting choices, opportunities and the ability to participate fully in society. Far too many children and young people across the North East are consequently being held back from fulfilling their potential, an injustice which holds the whole of our region back.

Child poverty in the North East

On the latest available data (2022/23), around one in three (30%) babies, children and young people across the North East are living in relative poverty, after housing costs¹.

Analysis conducted by Loughborough University for the End Child Poverty coalition has highlighted how widespread disadvantage for children in the North East is, with 89% – almost all – of our region's 27 Parliamentary constituencies having *at least* one in four children living below the poverty line (compared with 66% of all constituencies across the UK).²

This widespread disadvantage is evidenced on a number of other measures, with the North East having – for example – the highest proportion of school-age children known to be eligible for means-tested free school meals; the highest proportion of children living in both 'workless' and 'long-term workless' households; the lowest wages of anywhere in the UK; and the highest rates of food insecurity for children.³

Tens of thousands of babies, children and young people across the North East are therefore having their development put at risk, their opportunities restricted and their potential limited by the multiple barriers that – all the evidence tells us – poverty and hardship bring. However, failing to **meaningfully** act on this issue does not only result in immeasurable human costs to individual children and young people. It is estimated that the wider 'societal cost' of child poverty in the UK now stands at over £39 billion a year.⁴

From our own research, and our ongoing work with organisations right across our region, we know that rising levels of hardship have placed – and continue to place – unsustainable pressure on the North East's public services including education, health and local councils; the voluntary and community sector; and local economies, whilst also acting as one of single biggest brakes on growth for our region.⁵

¹ DWP (2024) *Households below average income: for financial years ending 1995 to 2023*:

<https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2023>

² Stone J. of Loughborough University for the End Child Poverty coalition (2024) *Local indicators of child poverty after housing costs, 2022/23*: https://endchildpoverty.org.uk/wp-content/uploads/2024/06/Local-indicators-of-child-poverty-after-housing-costs_2024_Main-Report.pdf

³ NECPC (2024) *No time to wait: An ambitious blueprint for tackling child poverty in the North East*:

https://nechildpoverty.org.uk/content/images/uploads/No_time_to_wait_full_report.pdf

⁴ Child Poverty Action Group (2023) *The cost of child poverty in 2023*: <https://cpag.org.uk/news/cost-child-poverty-2023>

⁵ See reference 3

Autumn Budget 2024

The North East Child Poverty Commission warmly welcomes the Government's pledge to develop an ambitious, cross-departmental child poverty strategy, as part of the wider 'Opportunity Mission' to break down barriers to opportunity and improve the life chances of children and young people across all parts of the UK. This strategy must be evidence-led and recognise that investing more of our nation's wealth in babies, children and young people is absolutely imperative if it is to achieve these aims. Child poverty is a serious issue, with serious consequences for individual and children and families as well as our country, and this requires a sufficiently serious Government response.

We also welcome the commitment that the Ministerial Taskforce leading this work will engage with external expertise throughout the strategy's development, and that – crucially – this will involve listening to the voices of children and young people living in poverty and their families, as well as external engagement events in all UK nations and regions.⁶

This engagement must be meaningful and ongoing throughout the life of the strategy – and NECPC stands ready to support this work in the North East, to ensure that it addresses the challenges for children and families in this part of the country.

However, we note that the new UK-wide child poverty strategy is not expected to be published until spring 2025 – by which point the Government will have been in power for almost a year. We all only get one childhood, and a year is a long time in the life of a child and their development.

We therefore urge the Government to take immediate action at the Autumn Budget 2024 to improve the living standards and opportunities of babies, children and young people across the North East – in recognition of the scale of the child poverty challenge we face as a country; as an early statement of its intent on this issue; and to create a foundation from which the new national child poverty strategy – and, most importantly, families – can build.

NECPC's priorities for this *immediate* action include:

- **Ending the two-child limit** – it has been calculated that ending the two-child limit in Universal Credit/Tax Credits would be the most effective way to tackle child poverty – as, on the most recent analysis, it would lift 300,000 children out of poverty overnight and would mean a further 700,000 children living in less deep poverty across the UK.⁷ DWP figures confirm that **19,000 families** – with around **62,000 children** – were impacted by this policy in the North East by April 2024,⁸ a figure that will continue to grow each month as the policy is fully rolled out.

Analysis undertaken by Loughborough University for the End Child Poverty coalition has found an 'extremely high' correlation between the constituencies with the highest rates of child poverty and those with the highest proportions of children affected by the two-child limit, including in the North East⁹ – and their modelling indicates that the policy now impacts, for example, 19% of *all* children growing up in the Middlesbrough and Thornaby East constituency; 16% in Gateshead Central and Whickham; 15% in Newcastle Central and West; and 14% of all children in both Redcar and Hartlepool.

⁶ HM Government (2024) *Child Poverty Taskforce terms of reference*:

https://assets.publishing.service.gov.uk/media/66bcd86bc32366481ca490d5/Child_poverty_taskforce_terms_of_reference.pdf

⁷ CPAG (2024) *School leaders, governors and teachers call on Minister to scrap two-child benefit limit*: <https://cpag.org.uk/news/school-leaders-governors-and-teachers-call-minister-scrap-two-child-benefit-limit>

⁸ NECPC (2024) *No route to ending child poverty without scrapping two-child limit*: <https://nechildpoverty.org.uk/news/no-route-to-ending-child-poverty-without-scrapping-two-child-limit>

⁹ See reference 2

- **A protected minimum floor below the Universal Credit (UC) standard allowance** under which no one can fall to *immediately* reduce levels of hardship being experienced in our region, and as a first and important step towards introducing an **Essentials Guarantee**¹⁰ and achieving the Government’s welcome manifesto commitments to review UC ‘so that it makes works pay and tackles poverty’ and end ‘mass dependence on emergency food parcels’.¹¹ Our social security safety net should *at least* always protect families, both in and out of work, from going without essentials such as food and utility bills – and should never be able to be pulled below this level, for example by ‘debt deductions’.

NECPC is particularly concerned that a significant proportion of families across our region are receiving less than their monthly UC entitlement as a result of debt deductions, the most common reason for which is to repay the UC ‘advance’ that many families are forced to take out to survive the five-week wait for a first Universal Credit payment. Our analysis of recently-released DWP data has found that this issue continues to impact families in our region more than in any other part of the country – and there are now **143,000 children in the North East living in families with UC debt deductions**, losing a collective total of £5,647,000 per month – or close to £68 million per year – from their UC entitlement, half (50%) of which is being clawed back to repay UC advances. Indeed, of the ten constituencies worst affected by this issue across Britain, six are in the North East – with 63% of all children in households receiving Universal Credit in the following constituencies affected by debt deductions: Middlesbrough and Thornaby East, Middlesbrough South and East Cleveland, Easington and Redcar; 62% in Hartlepool and 61% in Stockton North.¹²

- **Expanding free school meals (FSM) at least** to all pupils and students (at primary, secondary and college) in families receiving Universal Credit, as the most efficient way of ensuring this support reaches all children and young people impacted by poverty and food insecurity.

It is clear from our research and ongoing work with organisations across the region that the current income threshold for means-tested FSM is far too low (requiring a combined household income of less than £7,400 per year after benefits, a figure which has not been revised since 2018), and that this is adversely affecting children and young people at all stages of their education – and their schools and colleges – throughout the North East.¹³ Expanding the provision of free school meals is particularly important to our region, as the North East has the UK’s highest rate of child food insecurity, with **one in five (21%) of all children and young people living in food insecure households in 2022/23**,¹⁴ and the need to ensure this support is available to all who need it is becoming increasingly pressing as the ‘transitional protections’ for FSM eligibility implemented during the rollout of Universal Credit are due to end in March 2025.¹⁵

There are many other policy areas on which we would like the Government to focus as part of its longer-term national child poverty strategy, including for example: action to tackle low paid, insecure and insufficient work; making high quality early years education and care genuinely affordable and accessible to all; restoring the value of Child Benefit; securing and expanding the reach of the Holiday Activities and Food (HAF) programme; implementing a properly-resourced system of locally-delivered crisis support; developing a joined-up plan for digital inclusion; and long-term, transformative investment in the services that babies, children, young people and their families use – including family hubs/children’s centres and youth provision.

However, we have set out in this submission our *immediate* priorities for action at Autumn Budget 2024 as a first step towards making the Government’s Opportunity Mission a reality for babies, children and young people growing up *today* in the North East.

¹⁰ Trussell Trust and Joseph Rowntree Foundation (accessed September 2024) *We need an Essentials Guarantee*: <https://www.trusselltrust.org/get-involved/campaigns/guarantee-our-essentials/>

¹¹ The Labour Party (2024) *Change: Labour Party Manifesto 2024*: <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf>

¹² NECPC analysis of DWP response to a Freedom of Information request, dated 5 September 2024.

¹³ See reference 3

¹⁴ NECPC analysis of Households Below Average Income (HBAI) data available at <https://stat-xplore.dwp.gov.uk/>

¹⁵ DfE (2024) *Free school meals: Guidance for local authorities, maintained schools, academies and free schools*: https://assets.publishing.service.gov.uk/media/65fdad5965ca2f00117da947/Free_school_meals.pdf