

Labour Group Amendment to Opposition Motion 1- Scrap the Two-Child Benefit Cap

Moved by: Councillor Abdul Jabbar

Seconded by: Councillor Ken Rustidge

~~Strikethrough~~ = Delete

Underline = Insert

The Two Child limit to benefit payments was introduced by the Conservative Government in 2017 ~~and is supported by the current Labour Government~~. It prevents families from claiming Child Tax Credit or Universal Credit for more than two children in the household.

The 2017 two-child limit followed many other punitive welfare changes introduced by the Conservative Lib Dem Coalition between 2010 and 2015 which had a devastating impact on poverty levels including the Household Benefit cap implemented in 2013.

The last Labour Government made tackling child poverty a national priority. The Coalition Government abandoned the Act to enshrine in law the target of eradicating child poverty by 2020.

Council notes the recent research conducted by the End Child Poverty Coalition which has found that:

- 1.5 million children in the UK live in households subject to the two-child limit on benefit payments. That is roughly one-in-ten children in the UK.
- In 2023/24 the two-child limit cost families up to £3,235 per child each year.
- There is a strong correlation between families affected by the two-child limit and those who are living in poverty.
- Scrapping the two-child limit would lift 250,000 children out of poverty overnight, and significantly reduce the level of poverty that a further 850,000 children live in.
- Scrapping the two-child limit would cost ~~£1.3 billion~~ £2.5 billion in this year, rising to £3.6 billion when fully rolled out however it is estimated that child poverty costs the economy £39 billion each year.

In Oldham 11,340 children in 3,160 households are currently affected by the two-child limit to benefit payments. That is 18% of all children in the authority area. At the same time 27,760 local children are living in poverty.

Council strongly believes that the two-child limit to benefit payments is a cruel and harmful policy that should be scrapped when the Government's fiscal position allows and as part of a wider strategy to reduce child poverty.

Council further notes the £22 billion 'black hole' of unfunded Conservative spending commitments discovered following an audit of Government finances subsequent to the General Election in July 2024.

Oldham welcomes creation of a Ministerial Taskforce already beginning work on a cross government Child Poverty Strategy. The taskforce is supported by a Child Poverty Unit in the Cabinet Office.

Oldham Council will always stand up for families in need and has a long track record of delivering support to those affected by the cost-of-living crisis and poverty through the We Can Help campaign, Cost of Living support, development of Family Hubs, Real Living Wage targets and Work and Skills programme to mitigate and alleviate poverty in our borough.

~~Research from the University of York has shown its introduction has had no positive impacts on employment and earnings. Instead, it has dragged thousands of local families into poverty. Council notes the Liberal Democrats have consistently opposed the two-child limit to benefit payments since it was introduced — calling for it to be axed in their 2017, 2019 and 2024 manifestos. Council notes with concern the stance of the Labour Government who are committed to keeping the cap — going as far as suspending the whip from MPs who rebel against this position.~~

Council resolves to:

1. Instruct the Chief Executive to write to the Chancellor of the Exchequer and the Prime Minister ~~outlining Oldham Council's strong belief that the two-child limit to benefit payments should be scrapped — which would help more than 11,000 children across Oldham,~~ welcoming
 - (i) the development of a Child Poverty Strategy including reviewing the impact of both the two child limit and the family benefit cap.
 - (ii) the opportunity to develop a new partnership between Oldham Council and the Labour Government to tackle the shameful legacy of fourteen years of Coalition and Conservative Welfare policies which have embedded child poverty in Oldham and across the UK
2. Further instruct the Chief Executive to write to all of Oldham's MPs, asking them to commit their public support to ~~the campaign to end the cruel two-child limit to benefit payments,~~ ending child poverty as quickly as possible.
3. Ensure the number of children a family has is considered when a hardship grant is given out by the council.
4. Explore ways to support families impacted by the two-child limit across Oldham Borough, including through free school meals.

Amended motion to read:

The Two Child limit to benefit payments was introduced by the Conservative Government in 2017. It prevents families from claiming Child Tax Credit or Universal Credit for more than two children in the household.

The 2017 two-child limit followed many other punitive welfare changes introduced by the Conservative Lib Dem Coalition between 2010 and 2015 which had a devastating impact on poverty levels including the Household Benefit cap implemented in 2013.

The last Labour Government made tackling child poverty a national priority. The Coalition Government abandoned the Act to enshrine in law the target of eradicating child poverty by 2020.

Council notes the recent research conducted by the End Child Poverty Coalition which has found that:

- 1.5 million children in the UK live in households subject to the two-child limit on benefit payments. That is roughly one-in-ten children in the UK.
- In 2023/24 the two-child limit cost families up to £3,235 per child each year.
- There is a strong correlation between families affected by the two-child limit and those who are living in poverty.
- Scrapping the two-child limit would lift 250,000 children out of poverty overnight, and significantly reduce the level of poverty that a further 850,000 children live in.
- Scrapping the two-child limit would cost £2.5 billion in this year, rising to £3.6 billion when fully rolled out however it is estimated that child poverty costs the economy £39 billion each year.

In Oldham 11,340 children in 3,160 households are currently affected by the two-child limit to benefit payments. That is 18% of all children in the authority area. At the same time 27,760 local children are living in poverty.

Council strongly believes that the two-child limit to benefit payments is a cruel and harmful policy that should be scrapped when the Government's fiscal position allows and as part of a wider strategy to reduce child poverty.

Council further notes the £22 billion 'black hole' of unfunded Conservative spending commitments discovered following an audit of Government finances subsequent to the General Election in July 2024.

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2. Further instruct the Chief Executive to write to all of Oldham's MPs, asking them to commit their public support ending child poverty as quickly as possible.

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