

CLIFF EDGE COALITION OPPOSITION DAY BRIEFING

Cliff Edge
Coalition NI

The Cliff Edge Coalition (CEC) encourages MLAs to support the Opposition Day motion on Tuesday 16 April, which calls on the Minister for Communities to present a plan before the Assembly to remove the two-child limit before the end of 2024.

- **The case for mitigating the Universal Credit two-child limit**

The Cliff Edge Coalition is made up of over 100 organisations from across Northern Ireland who came together in 2018 to campaign to sustain and strengthen the welfare reform mitigations first agreed by the Northern Ireland Executive in 2016.

A key action to strengthen support for families impacted by poverty across NI is mitigation of the two-child limit. The two-child limit affects families that receive the child element of Universal Credit (UC) which is replacing Child Tax Credit. Prior to April 2017 support was available for all children in low-income families. Third (or additional) children born after 6 April 2017 now only qualify for the child element of UC in a small number of exceptional cases.

The result is that families in receipt of UC affected by the limit lose out on £3,455 per child per year for third, or subsequent, children born after 1 April 2017. Information published in December 2023 by the End Child Poverty Coalition indicates [10% of children in Northern Ireland are affected by the two-child limit](#).¹ The Coalition also highlights larger families are much more likely to experience poverty. This is important given the average family size in NI is larger than in Great Britain with [21.4% of families in NI having three or more children compared to 14.7% in the UK](#).²

[In 2021/22, across the UK the poverty rate for children in families with three or more children was 42%](#),³ compared with 23% and 22% among children in families with one or two children respectively.

- **Rates of poverty**

The [DfC Northern Ireland Poverty and Income Inequality Report \(2022-23\)](#),⁴ published in March 2024, indicates rates of poverty have increased across Northern Ireland. In 2021/22, 16% of the NI population were in relative poverty and 13% were in absolute poverty. In 2023/23 the figure for relative poverty had increased to 18% and 14% of the population were in absolute poverty.

¹ [New data reveals North/South divide of children hit by two-child limit on benefits - End Child Poverty](#)

² [Families with dependent children by number of dependent children by UK countries and English regions, 2015 - Office for National Statistics](#)

³ [Two Child Limit Data - End Child Poverty](#)

⁴ [Northern Ireland Poverty and Income Inequality Report, 2022/23 \(nisra.gov.uk\)](#)

The impact is greatest on children. The DfC statistics indicate that the percentage of children living in relative poverty in NI in 2022/23 was 24%, up from 18% in 2021/22. The percentage of children living in absolute poverty rose from 15% to 19% over the same period.

- **The costs of poverty**

The recent report from the NI Audit Office, [Child Poverty in Northern Ireland](#)⁵, estimates the cost of child poverty in the region to be between £825m and £1bn per year. The Child Poverty Action group estimates that [child poverty costs the UK economy at least £39 billion per year](#).

According to the Northern Ireland Comptroller and Auditor General, “*an investment on reducing child poverty has the potential to result in significant long-term savings for the public purse as well as mitigating future harms caused to children as a result of growing up in poverty.*”

- **Who else has called for mitigation of the two-child limit**

Removal of the two-child limit was also recommended in 2020 by the [Expert Advisory Panel](#)⁶ tasked to develop recommendations for the as yet-unpublished DfC Anti-Poverty Strategy. The CEC endorses these recommendations. The [Welfare Mitigations Review Independent Advisory Panel Report](#)⁷ has recommended mitigating the two-child limit through the introduction of a Welfare Supplementary Payment called a “Better Start Larger Families payment”.

A February 2024 report by the [Institute for Public Policy Research \(IPPR\) and Changing Realities](#)⁸ proposes recommendations aimed at improving the social security system which would lift one million people throughout the UK out of poverty overnight and make work pay for thousands of people on UC. Notably, one of the key recommendations is to remove the two-child limit which arbitrarily caps benefit entitlement with no regard for the costs families face.

- **What will happen if the two-child limit is not removed?**

If action is not taken to remove the two-child limit, child poverty will rise rapidly, particularly for those children who are in families with three or more children. The [Resolution Foundation](#) reports that 51% of families in the UK with three or more children will be in poverty by 2028-29.⁹ The two-child limit will impact more and more children as time moves on. At the present time, those children who are subject to the two-child limit are aged 7 and under. The [Fair Start](#) report shows that the early years of a child’s life are those which are the most formative and that children who are in poverty are consistently less likely to attain the same grades as their more advantaged peers.¹⁰ As emphasised by the NI Audit Office, we can’t afford not to invest in children who will be responsible for the society and economy of the future.

⁵ [NI Audit Office Report - Child Poverty in Northern Ireland.pdf](#)

⁶ [Recommendations for an Anti-Poverty Strategy \(communities-ni.gov.uk\)](#)

⁷ [Welfare Mitigations Review \(communities-ni.gov.uk\)](#)

⁸ [Snakes and ladders: Tackling precarity in social security and employment support | IPPR](#)

⁹ [Resolution Foundation – Catastrophic Caps](#)

¹⁰ [A Fair Start – Expert Panel on Educational Underachievement in Northern Ireland.](#)