



**Save the Children**

# CHILD LOCK

**How the UK government should  
lock in lasting change for children**

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**PRIORITY 1-54**

**MAKE  
(GOOD)  
TROUBLE**

 **PUBLICFIRST**



**Participation  
People**



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## EXECUTIVE SUMMARY

“ I really don't want to live in poverty forever ”  
*Save the Children youth panel member*

Over recent years, it has too often been left up to parents, food and baby banks, charities, teachers, and community groups to ensure children have the things they need. The UK government needs to provide a robust safety net to ensure all children get the best start in life. It needs a strategy, investment, and a laser focus to ensure that this generation of children are getting their fair share.

The number of children in poverty is rising, and there are now 4.3 million kids growing up in poverty. That's nine children in each classroom, or enough children to fill the House of Commons almost 7,000 times. We are at risk of holding back these children – with profound consequences for our country. These consequences are personal for the child affected, and have far-reaching roots for the nation's economy, health, and wellbeing, limiting progress and prosperity for generations. A healthy country needs low poverty levels.

### **Treated as an afterthought**

Over the past decades, we've seen the services children need come under mounting strain. Schools have seen their budgets slashed, making it harder for children to succeed in the classroom. Mental health services for children and

young people have been dramatically reduced, with thousands of children waiting years to be seen by mental health professionals.

Policies like the unfair two-child limit, plus years of freezes to benefits, have made it even harder for families to make ends meet, pushing people further into poverty.

Children in some families have it even harder. If you're a child in a family headed up by someone from an ethnic minority, you're twice as likely to live in poverty because of policies like these.

### **Time for a 'child lock'**

The UK government can act. With a new government, a new child poverty strategy, and a widely shared ambition to invest in children, this government has the potential to make a lasting difference to children's lives.

We can be a society that values its children, investing in their present and their future. It's time the UK government started making choices to bring that kind of society about.

The pensions triple lock and pension credit have helped to move millions of older people out of poverty by making sure their pensions keep up with rising costs. Now Save the Children is calling on the UK

government to give children the same support their grandparents get by 'locking' investment across all aspects of children's lives.

We're calling for a 'child lock', a double lock that would **benefit all children** by ensuring that children's social security payments – like Universal Credit and Child Benefit – increase by whichever is higher out of earnings or inflation.

Separate reports also consider how the government could lock in investment in education, housing, and children's mental health services too, so that children have the support around them to achieve what they want to achieve. While this report is focused on the UK government's social security system, the follow-up reports deal with devolved matters, so are focused on England.

Save the Children has been working with two youth panels and a parents' panel over the last year, made up of parents and young people living on low incomes. These papers present the policy proposals we developed in conjunction with these panels, colleagues from across Save the Children, and experts across the social security, education, mental health, and housing policy areas.

We have a vision for a UK where children can grow up with a greater sense of security – where opportunities for play, growth, and development don't have to be accompanied by their parents cutting back elsewhere. Where child poverty is seen as something that is worth tackling, and that can be overcome. A child lock is a critical step towards that vision.

“With the triple lock, obviously pensioners are prioritised with their guarantee of having their pension increased every year. Whereas we're sort of reliant on "oh, will the government give it to us this year?" and in previous years, there's been no increase. And I think that's really set back everyone moving forwards and that's why we're all struggling so much now. I think there was a few years where there was no increase in benefits... We're all human beings, we've all got a right to a certain standard of life... But it just seems as though our children - it doesn't feel as though they're as important”

*Parent of one, South East England*

## KEY RECOMMENDATIONS

- The UK government should introduce a **child lock that applies to all children's benefits**. This lock would guarantee that children's benefits rise in line with inflation or earnings each year – ensuring that children are protected during periods of high inflation, and stand to benefit during periods of growth.
- The **two-child limit and the benefit cap should be scrapped**.
- Children's benefits should be reformed so that children whose parents have no recourse to public funds can access this benefit.
- Children's benefits should be reformed so that single-income households are not unfairly penalised.

If a child lock had been introduced at the same time as the pensions triple lock, and the two-child limit and benefit cap were not introduced, **690,000 fewer children would be in poverty today**.

It would cost £6 billion per year by 2034/35 to introduce the child lock, remove the two-child limit, and remove the benefit cap. This is just over half the cost of the pensions triple lock.

## INTRODUCTION

Child poverty in the UK has become a fact of life - **'too big to tackle and too familiar to notice'**.<sup>1</sup> Rising levels of child poverty threaten to undermine the wellbeing and development of the next generation. The introduction of the **Pensions Triple Lock in 2010** marked a pivotal moment in social security policy, ensuring that pensioners' incomes increased by inflation, wage growth, or **2.5%, each year**. However, no such equivalent mechanism was put in place for children, leaving them vulnerable to economic fluctuations and policy changes.

This follow-up report builds on the foundation laid by our previous publication, *"Child lock: How the UK government can secure children's futures"*, by expanding the analysis to explore the potential implications of a child lock policy across four critical areas: social security, education, mental health, and housing. The child lock, a proposed policy mechanism designed to **ensure that financial support for children keeps pace with economic conditions**, offers a crucial opportunity to protect the wellbeing of children and their families.

In this report, we draw on evidence from parent and youth panels, providing a firsthand account of the challenges faced by low-income families and the potential

benefits of a child lock. We also present economic modelling that examines what might have happened had the child lock been introduced at the same time as the Pensions Triple Lock. This comparative analysis aims to illustrate the transformative impact such a policy could have had on the lives of children over the past decade.

This paper is guided by the voices of **children** and **parents** as well as **policy experts** from across the sector.



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<sup>1</sup> Bywaters

## HOW WE SPOKE TO CHILDREN AND PARENTS

### HEARING FROM CHILDREN

We know that children should be heard on policy issues that affect their lives. Living in poverty can be isolating for children, and can act to limit their lives and futures, as well as their ability to participate in discussions about them. Through **focus groups and our youth panel** we spoke to **45 young people**, 22 through one-off focus groups, and 23 through school-based panel sessions that met for 5 months during the beginning of 2024.

Children know that poverty makes their lives smaller, and they feel this as embarrassment, worry, and feelings of insecurity around their identity. Young people feel limited because of poverty and shared frustration that they can't be who they want to be because they don't have the financial resources to explore interests and talents. Young people we spoke to were keen to talk about the relationship they saw between poverty and mental health, the unfairness they saw in the housing system, and the need for high-quality education, as they have a hope for the future and aspirations to move out of poverty. The UK government have a duty to match these aspirations, restore their hope, and lock in a better safety net for all children.

“ Young people are being affected hugely by financial worries and I think it's time for politicians to start to listen to young people's voices as it is affecting our education. ”  
Youth panel member

“ Our next generation living in poverty isn't likely to benefit anyone in the future, work on the next generation. ”  
Young person from one of the focus groups

“ Adults don't always know what it's like for children in poverty. They like to act like they know what's going on, but they can only do this if young people share their stories. ”  
Youth panel member

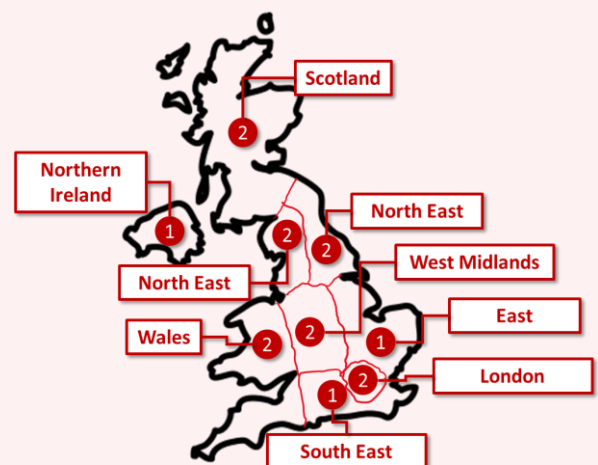
Of the young people we spoke to as part of the panel, the age range was 12-16, and there were 10 boys and 13 girls. The total number with care experience was five (3 long-term and 2 short-term). We were aware of three young carers (looking after disabled siblings and parents) but were aware of two young people who had significant responsibility for younger siblings due to their parent's work commitments. There were four young people of colour across both settings.

Of the young people we spoke to during the one-off focus groups, 11% had a disability, two-thirds of participants were people of colour, and two-thirds were female. The views and insights of those who participated in the focus groups helped us to shape the sessions with the long-term panel.

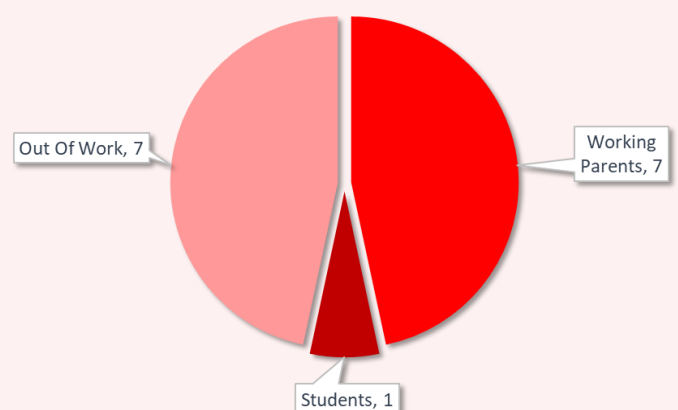
to fully understand the project and what it would involve. We met parents one-on-one to present them with an overview of the project, and provide an opportunity to discuss it in more detail, and get a sense of the personal circumstances of each parent and family.

The aim for the Parent Panel was to be as representative as possible of parents across the UK, to incorporate a diversity of experiences into this work. Going wide with recruitment allowed us to reach and select parents from across several different situations and characteristics.

### Geographical spread



### Working & non-working



## HEARING FROM PARENTS

As part of the child lock campaign, we spoke to 31 parents as part of focus groups and the parent panel – 16 through one-off focus groups, and 15 through the long-term panel that has met regularly since the beginning of 2024.

To recruit for the panel, we reached out to Save the Children staff, parent networks within Save the Children, partner organisations, and external organisations in the sector from all four nations. Materials included a blurb, leaflets, posters, a role profile, and a presentation for organisations

Parent of three, Scotland

### Different ages

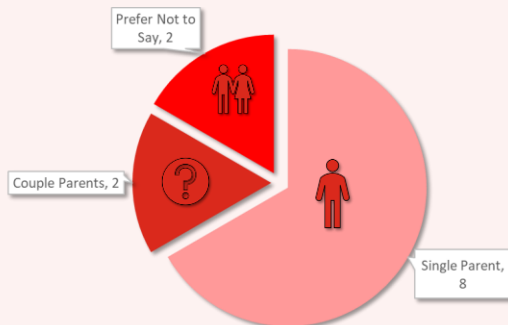


Parents: 20-55 years old



Children : 1-25 years old

### Different family sizes



Families ranged from **1-5 children**

“ I just wanted to say a huge thank you to you all for the opportunity to be involved... Sounds cheesy but it helped me keep my promise to my daughter, to have our voices heard in such a way....people complain about the country all the time but its not often we really ever get to actually do anything about it and I've just been so grateful to be involved.

More than I can possibly even say.

”

Parent of two, North West England

### Ethnicity

2

Parents were people of colour

### Migration

2

Parents were first-generation migrants

### Disability



There were **8 parents** with at least one child with a disability



**Two parents** have a disability themselves

“

Yes [financial hardship] does affect parents' mental health. The strain of feeling excluded from society on so many levels and knowing your children experience that is a torture in itself.

”

## SPENDING ON CHILDREN OVER TIME

### THE TRIPLE LOCK

The problem of pensioner poverty in the UK is by no means solved, and as the population ages, there will be new problems for policy makers to address. Despite these issues, the reduction in pensioner poverty over the last two decades has been a remarkable policy success. A key factor in this has been the pensions triple lock, which guarantees that pensions rise in line with the highest figure out of inflation, earnings, or 2.5%.

This has meant a steady increase to pensioners' incomes since 2012, and a near-halving of pensioner poverty over twenty years. Income maximisation from the DWP has been a key component in this. The triple lock has raised state pension spending by almost £11 billion per year, and pensioners have seen an income boost of around £1250 since it was introduced.<sup>2</sup>

Figure 1 shows the impact of the triple lock and pension credit on pensioner poverty, and compares it to the impact of the benefit cap and the two-child limit, both of which led to an increase in child poverty. The

temporary uplift in Universal Credit (introduced during the pandemic) had the opposite effect, lessening poverty for all groups affected, and clearly demonstrating the role of benefits in poverty reduction.

The greatest reduction in pensioner poverty came from the introduction of pension credit, which substantially increased the amount on money pensioners were receiving. Research from JRF suggests that this level of change to the child element is not needed, as the child element *when it is available for all children, and applied without a cap*, is set at an almost adequate level when compared to the amounts paid to adults.<sup>3</sup> Rather than a rewriting of what the child element is, Universal Credit could be improved through the removal of the two-child limit and the benefit cap, and a guarantee that children's benefits will increase in a similar way to pensions.

The triple lock is, arguably, in need of reform and fine-tuning. But rather than throwing out what has been an incredible policy success, and a policy reform that most of the public are behind, we should think about tweaks to a successful policy, and about the lessons we can apply from this policy to child poverty.

“

<sup>2</sup> <https://ifs.org.uk/news/triple-lock-creates-uncertainty-pension-incomes-and-savers-well-public-finances>

<sup>3</sup> JRF and Trussell Trust, Essentials Guarantee: Technical Report, 2023,

<https://www.jrf.org.uk/social-security/guarantee-our-essentials-reforming-universal-credit-to-ensure-we-can-all-afford-the>

“ You need support at both ends of your life, and death... you need to give that support to give a good start in life. And hopefully, you can have a good ending in life. And for it to be fair, everybody should start on an equal footing. It means a lot, and it gives that support to the parents, and then it'll just continue to ripple through the child's life until they possibly become parents as well... So there has to be that sort of understanding, that we were all children once and every single one of our parents needed support at that time. ”

Parent of one, Northern Ireland

Figure 1: How poverty rates have changed for different groups over the last two decades.



## CHILDREN'S BENEFITS

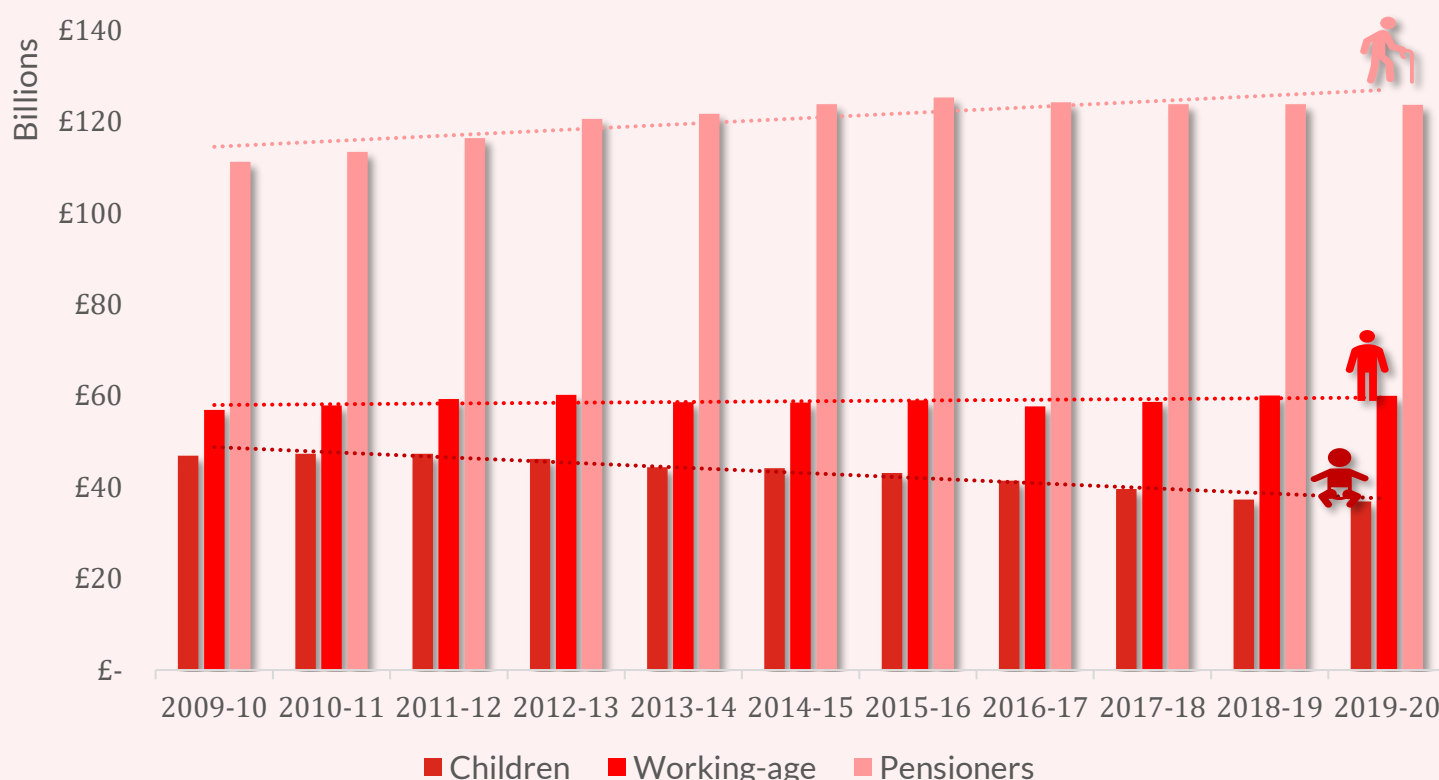
Over the same period when **pensioners saw an increase in state spending of £11 billion** per year, money that flows towards **families and children has fallen**.

Figure 2 shows that spending on pensioners rose over the period 2009-2020, ending more than a quarter higher per year than at the start of the period. By contrast, child-related spending fell throughout, ending more than a third lower than at the start of the period. When

looking at spend per person, real spending rose by 11 per cent per pensioner over the ten years to 2019-20. By contrast, spend per child fell by 25% over the same period.<sup>4</sup>

The Department for Work and Pensions is forecast to spend £152 billion on pensioners in 2024, £101 billion on working-age adults, and £3.6 billion on children. **Just 1% of social security spending is on children**, compared to the 60% of spending that goes to pensioners, and the 39% to working-age adults. Children make up 20% of the population, adults make up 62%, and pensioners make up 19%.<sup>5</sup>

Figure 2: Social security and tax credit spending 2009-10 to 2019-18 (£ billion, 19-20 prices,)



Source: <https://sticerd.lse.ac.uk/dps/case/spdo/spdorp10.pdf> Spending on children represents benefits and tax credits received in respect of having children. For consistency with earlier systems such as Family Credit and Working Families Tax Credit, Working Tax Credit for families with children is included

<sup>4</sup> Kerris Cooper and John Hills, The Conservative Government's Record on Social Security: Policies, Spending and Outcomes, 2021, LSE

<sup>5</sup> Melissa Bui, 'Age Bias: How government spending is skewed against the young', Intergenerational Foundation, 2022.

Welfare reforms over the last decade have been particularly punishing to families. The two-child limit and the benefit cap, plus years of benefit freezes, have pushed incomes to breaking point. The ability of the social security system to replace earnings in the event of unemployment (the replacement rate) has fallen over the past 10 years. Couples with children have seen the largest fall in replacement rate: in 2011 a couple with children who faced unemployment would have maintained two-thirds (66%) of their earnings on average. In 2021, this had fallen to 53%, meaning that a family with children could – overnight – be expected to survive on just half of their previous income.<sup>6</sup>

Children and families have not been a priority for successive governments. And the impact of this policy-design has been considerable. One million children experienced destitution in 2022. This is nearly triple the number of children who experienced destitution in 2017. Triple the number of children who are frequently unable to stay warm, dry, clean, and fed in this country, over a period of just five years.

## SPENDING ON CHILDREN OUTSIDE OF THE SOCIAL SECURITY SYSTEM

It is not only DWP budgets that have seen cuts. Spending on children overall, when accounting for spending on things like education and services (but not health), was 10% lower in 2020 than in 2010.<sup>7</sup> In 2018-2019, the government spent £15,000 on each child, and £21,000 on each pensioner. Over the course of 19 years, the gap on spending between children and pensioners doubled in size, going from around £3,000 more spending per pensioner than per child to £6,000 more per pensioner than per child. Spending on preventative services has seen a considerable cut, as has school spending per pupil, which saw a 9% decline from 2010 to 2020.<sup>8</sup> Schools budgets have since seen some increases, but the key problem for schools, children's services, and children's benefits is that none of these budgets are guaranteed – they can change and be cut year on year, when what children – and those working with them – need is consistency and some guarantee that their basic needs: for enough money, for education, for health and housing systems that work for them, will be met by the state.

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<sup>6</sup> M. Brewer, K. Handscomb, G. Kelly, J. Smith & L. Try, 2022, Social Insecurity. Assessing trends in social security to prepare for the decade of change ahead

<sup>7</sup> <https://ifs.org.uk/news/triple-lock-creates-uncertainty-pension-incomes-and-savers-well-public-finances>

<sup>8</sup> IFS, Schools budgets, 2022  
<https://ifs.org.uk/education-spending/schools#:~:text=Accounting%20for%20economy%2Dwide%20inflation,is%20lower%2C%20at%205%25.>

“ When [the kids] are going out into the world and you wonder what they could have made for themselves. If you were able to give them the same support that you see your contemporaries maybe being able to give their children? Everybody wants to just realise their full potential. And I think that's the problem is that people get that potential and the purpose taken away from them by all the systemic failings. ”

Parent of three, Scotland

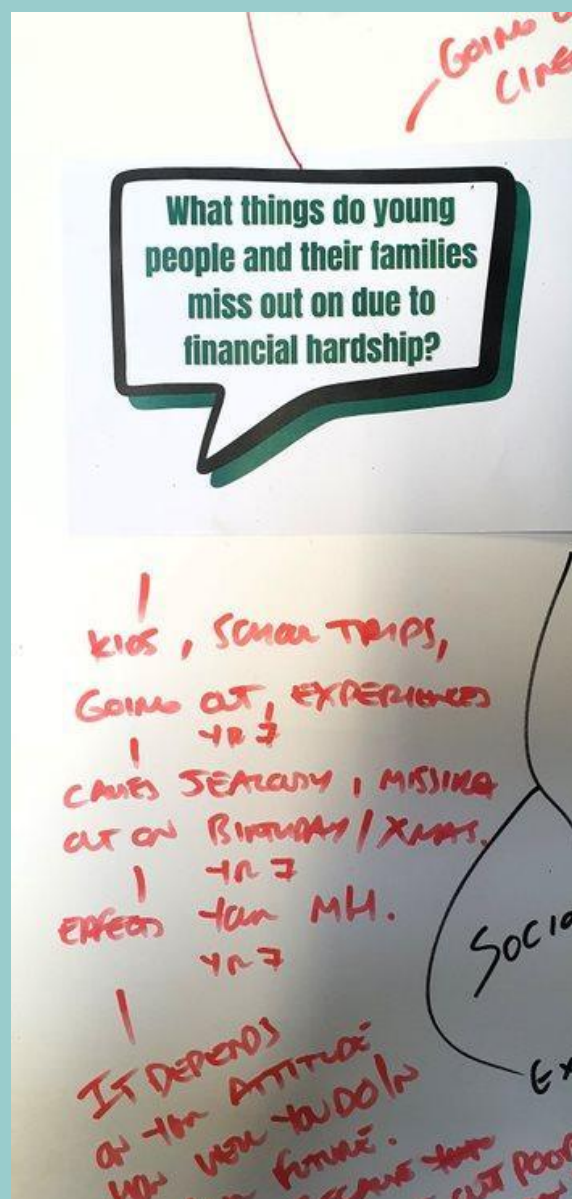
“ The school is supportive in loads of ways... but look [shows interviewer torn jumper]. I get pulled up on this all the time because it's torn and they say it needs replacing, but I know I can't ask my mum because it's so expensive. Like I've got 5 months left at school, so why should she buy a new jumper. But it's embarrassing being told off all the time in front of your friends. ”

Save the Children youth panel member

## THE FOUNDATIONS OF THE WELFARE STATE

Money for children and families was a key part of the history of our country's welfare state. Calls for a universal family or child allowance have been made since the 1920s. Family allowances were put forward in the Beveridge report in 1942, and first introduced in 1946, when allowances were paid to all second and subsequent children.<sup>9</sup> The welfare state was always supposed to support families 'from the cradle to the grave'. The 'cradle' element has fallen by the wayside, despite a critical point in life where families often need that helping hand.

To bring us closer to the foundations of the welfare state, we need to restructure some of the services and systems of our safety net to ensure that children are getting their fair share, and that the State is doing its part in guaranteeing children the best start in life.



<sup>9</sup> Noel Whiteside, The Beveridge Report and Its Implementation: a Revolutionary Project?, 2014,

## A CHILD LOCK IN SOCIAL SECURITY

The proposed double lock on spending, which we are calling a ‘child lock’, should lock spending on children’s social security entitlements, so that money that goes to children increases by earnings, or by inflation if inflation is higher than earnings. This will ensure that children are better protected during periods of high inflation, and stand to benefit during periods of growth. Growth is a key priority for the government. But growth must be shared, and it is not right that some of the country’s poorest children could miss out on the benefits of growth, just because their parents do not happen to be the ones seeing earnings increases.

All children’s benefits: child benefit, the child element of universal credit, the childcare element of universal credit, and the disability living allowance for disabled children, should be guaranteed under this ‘child lock’. This would help to redress the balance of our social security system, and help ensure it is as focused on children as it is on the elderly. And, crucially, it would deliver parents and children some much-needed security. Though there is a process for uprating benefits in line with inflation each year, and though sometimes benefits

do increase – it is not guaranteed. In eight out of the ten years between 2013 and 2022, the basic rate of benefits lost value – either due to freezes, or due to below-inflation uprating.<sup>10</sup> This means that families have had to make cuts in over-stretched budgets, and that every year before an uprating announcement, families are plunged into uncertainty.

“If age is a protected characteristic why does it only work for older people and not for children when it comes to poverty and benefits that stay in line with inflation”  
Youth panel member

“Older people should be treated with respect, and still have enough to... have a happy life, but why is it they get increases in their benefits when you can see the amount of children living in poverty and struggling and they have their whole lives ahead of them?”  
Youth panel member

This type of intervention would not have a substantial upfront cost, but over time, it would represent a significant investment in children. This could be paid for through tweaks to the triple lock, which would also make the triple lock more sustainable in the long-term. The reform advocated by the IPPR and the Resolution Foundation, among others, is for a ‘Smoothed Earnings Link’,<sup>11</sup> which would ensure that the pension

<sup>10</sup> Peter Matejic, Fifty years of benefit uprating, 2023, <https://www.irf.org.uk/report/fifty-years-benefit-uprating#:~:text=Key%20points,unemployment%20benefits%20has%20lost%20value>.

<sup>11</sup> IPPR, Saving social care, 2017 <https://www.ippr.org/files/2017-11/saving-social-care-november17.pdf>

level keeps pace with both earnings and inflation without consistently exceeding both. This would mean that the inflation figure is used in years when it is higher than earnings growth, but uprating tracks earnings in the long-run. The Resolution Foundation find that such an approach would reduce welfare spending in 2041-42 by 0.5% of GDP – or £14 billion. This saving could be redirected towards the child lock, meaning that both pensioners and children can benefit from a guaranteed increase to income, but in a more sustainable way that avoids the ratchet effect of the current triple lock.<sup>12</sup>

parents. The current child benefit eligibility rules use an individual (rather than household) earnings measure which means lone parents – who don't have the option of a second earner – begin paying the High-Income Child Benefit Charge (HICBC) once they earn £60,000 whilst a couple can earn £119,999 before being subjected to the charge. This creates a double disadvantage for lone parents who face higher costs in raising a child according to data from the Child Poverty Action Group, while losing out on child benefit at a lower household income level. The HICBC calculation mechanism should be reformed and based on household income, not individual income which would mean a household threshold of £120,000 under the current eligibility criteria.

“ [Locking benefits for children] is a shared response to what I believe is a shared responsibility, and everyone needs to do it, whether you have kids or not. Because if you don't have kids, and you end up in a care home, someone else's kids is going to be the nurse looking after you, it takes a village, it's swings and roundabouts.

Parent of three, London

“ I think that people should get more money for all their children because then they can pay for new shoes and clothes for their children. ”

Youth panel member

To ensure that all children can benefit from the child lock, this change should be accompanied by an end to the two-child-limit and benefit cap, both of which restrict families' incomes. Child benefit should also be reformed so that families with no recourse to public funds are able to access child benefit. and to make it fairer for single

<sup>12</sup> Resolution Foundation, Sharing the Benefits, 2023,

## HOW DOES UPDATING WORK?

The Secretary of State for Work and Pensions is required to review the level of benefits and State Pensions each year.

There are certain benefits that must be increased by at least the level of price increase: Disability benefits (PIP, Attendance Allowance, DLA), Carer's Allowance, Incapacity benefit, Severe Disablement Allowance, Industrial injuries benefit, Additional State Pension, Guardian's Allowance (from HMRC).

The DWP may also increase other benefits (including the child element of UC and child benefit), *'if [the Secretary of State] considers it appropriate, having regard to the national economic situation and any other matters which he considers relevant'*.

The 'triple lock' commitment goes beyond the statutory obligation and allows for the basic and new State Pension to be increased by whatever is highest out of earnings, prices or 2.5%.

Some have argued for a change to updating that considers inflation levels by income decile, using something like the Household Costs Indices. Incorporating this measure is something the Government should consider as part of a reform to the updating process.

Credit, the disabled children's allowance, and the more widely-claimed child benefit, increase each year in line with inflation or wages.

Public First completed modelling on the child lock, modelling a hypothetical of how much lower child poverty would be today had child lock been introduced in 2010, alongside the State Pension triple lock. The proportion of children in poverty in 2022/23<sup>14</sup> would have been **25% had child lock been in place since 2010 - compared with an actual rate of 28%**. This means **345,000 fewer children would be in poverty** today, if children were invested in and protected in the same way that pensioners were.

And this figure is just for the child lock – without accounting for other policies which have been introduced since 2010 like the two-child limit and the benefit cap. The benefit cap is especially relevant in limiting the impact of the child lock, as the child lock would drag families over the limit, leading their benefits to be capped. If we model this scenario and assume that the benefit cap and two-child limit had not been in place, the impact of child lock is even greater: **690,000 fewer children would have been in poverty in 2022/23**.

## WHAT IF A CHILD LOCK HAD BEEN INTRODUCED IN 2010?

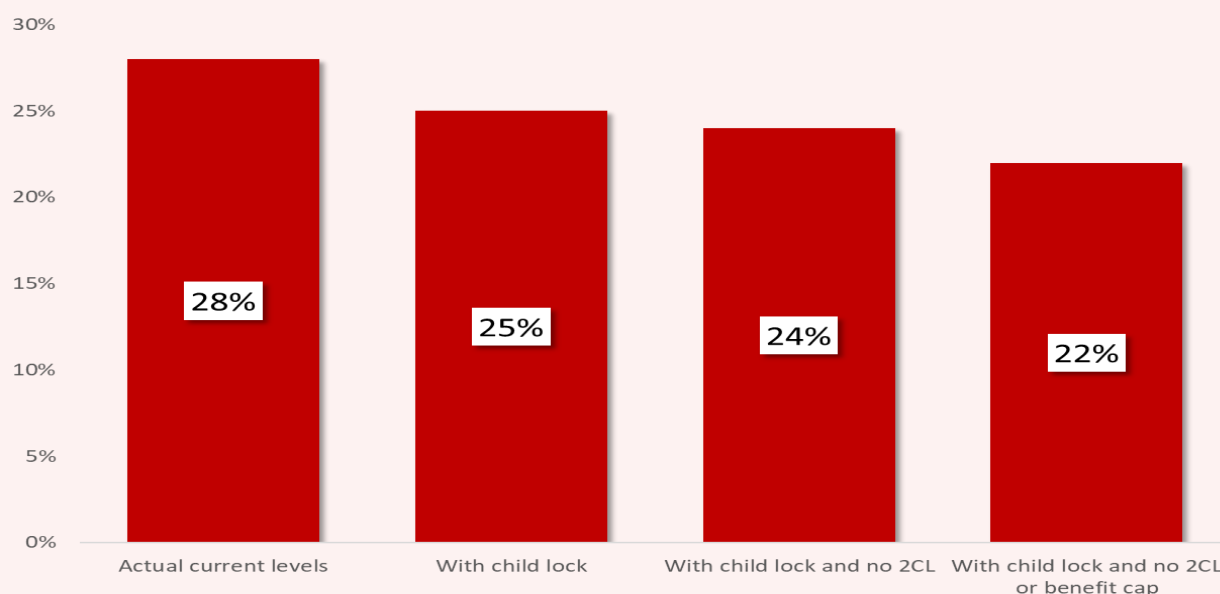
A child lock is a guarantee that all children's benefits: the child element of Universal

This would mean that child poverty today would be at 22%.

<sup>13</sup> ONS, Household Cost, Indices, <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/householdcostsindicesforukhouseholdgroups/april2024tojune2024>, 2024

<sup>14</sup> This is the latest year of Family Resources Survey data

Figure 3: Percentage of children in poverty, with and without child lock



### WHAT ARE THE BENEFIT CAP AND THE TWO-CHILD LIMIT?

The benefit cap is **a limit on the total amount of benefit an out-of-work family can receive**. It limits benefits to those out of work to:

£442.31 a week if you are a couple or a lone parent living in London

£296.35 a week if you are a single person living in London.

£384.62 a week if you are a couple or lone parent living outside of London.

£257.69 if you are a single person living outside of London.

The **two-child limit limits the child element a family can receive in Universal Credit to the family's first two children**. It means that families with more than two children lose out on £287.92 per month.

The child lock policy on its own would have resulted in an extra £6bn spent on child-related benefits in 2022-23, if it had been in place since 2010. This represents 20% higher spending on these benefits. Removing the two-child limit and benefit cap would have increased the policy cost to £7.9bn.

Most of the welfare spend would come from increased spend on child benefit. In 2023, 13 million children were in households claiming child benefit: 93% of the population of children.<sup>15</sup> This means 93% of children would benefit from a child lock, though more benefit would of course go to children also in receipt of other benefits.

<sup>15</sup> HM Revenue and Customs. Child Benefit Statistics: annual release, data at August 2023, [https://population.un.org/wpp/](https://www.gov.uk/government/statistics/child-benefit-statistics-annual-release-august-2023/child-benefit-statistics-annual-release-data-at-august-2023#:~:text=since%202013%20the%20take%2D up,a%20slight%20increase%20to%2090%25 and United Nations, Department of Economic and Social Affairs, Population Division, 2024 <a href=)

at-august-2023#:~:text=since%202013%20the%20take%2D up,a%20slight%20increase%20to%2090%25 and United Nations, Department of Economic and Social Affairs, Population Division, 2024 <https://population.un.org/wpp/>

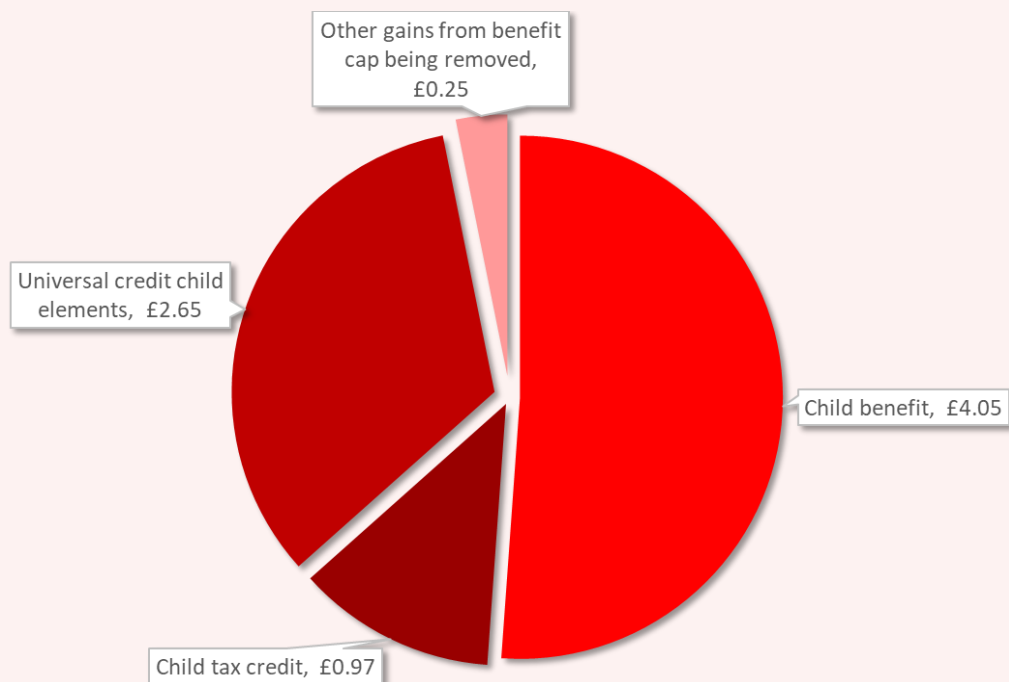
“There's so much money, the government have so much money. And Scotland do give more things. They do prioritise families. It's not that there's not some random fund of extra money that makes them be able to do things like the baby boxes, or the Scottish child payment, or to fund education. Like there's no university fees here. There's no extra money, they just make that happen. They made that work. So obviously, it is possible to make it work.... It's an investment, like investing in children, it should save money in the long run.”

Parent of two, Scotland

“Everyone's different, everyone has different lives so you can't just fit everyone with the same thing. They've raised the benefits again now in April, but the benefit cap stayed the same - so some people that get the benefit rise will still be hit by the cap.”

Parent of two, Wales

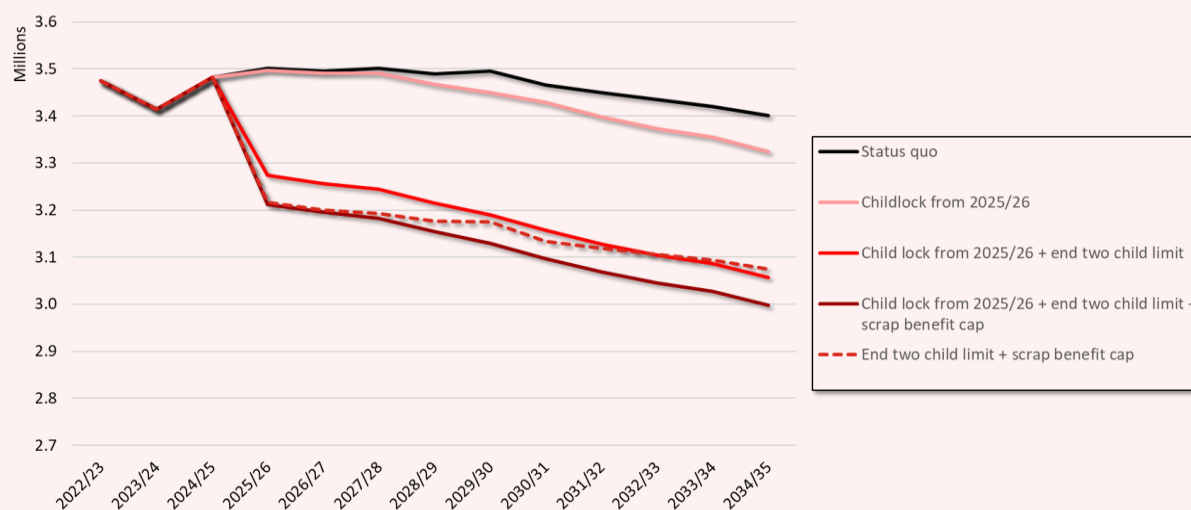
Figure 4: Additional welfare spend in 2022/23 had child lock been in place since 2010, and had the two-child limit and the benefit cap not been in place (£billion)



**Total Extra Spend = £7.92 Billion**

## WHAT IF A CHILD LOCK WAS INTRODUCED TODAY?

*Figure 5: Number of children in poverty, with and without child lock, 2CL and benefit cap*



It is harder to estimate the finances and impact of the policy if it was introduced today, as it is not possible to predict for the types of benefit freezes we have seen since 2010. Instead, we can compare the child lock policy to a scenario where benefits are uprated by CPI inflation each year. This assumes that the UK government does uprate each year in line with inflation, and means the child lock only has an impact in years where wage growth is greater than inflation.

Based on this scenario, if a child lock policy was in place from April 2025, there would be about 80,000 fewer children in poverty by 2034/35, and about £1.8bn more spent in child-related benefits in that year. Removing the two-child limit and benefit cap, in addition to child lock, would lead to over 400,000 fewer children in

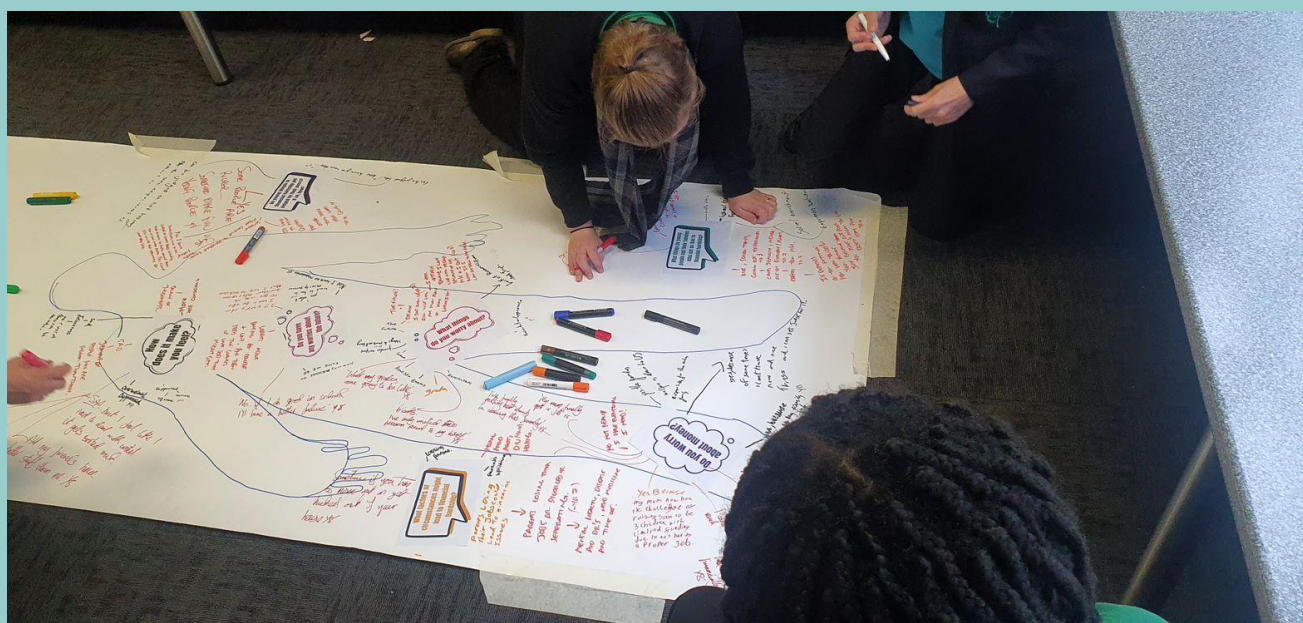
poverty by 2034/35. The policy cost of this would be about £3bn in 2025/26, rising to £6bn per year by 2034/35, to account for a higher number of children affected by the two-child limit each year.

In a scenario where only the child lock is in place, the equivalent of about 300 primary schools worth of children would move out of poverty. If the two-child limit and benefit cap were also removed, this would be the equivalent of 1,500 primary schools.

This £6 billion per year is far less than the £11 billion per year spent on the triple lock.<sup>16</sup> This £6bn covers the double lock, the removal of the two-child limit, and the removal of the benefit cap. This is a policy that would benefit 93% of children, and would move hundreds of thousands of children out of poverty.

<sup>16</sup> The pensions triple lock costs £11bn per year, IFS, 2023, [https://ifs.org.uk/publications/triple-](https://ifs.org.uk/publications/triple-lock-uncertainty-pension-incomes-and-public-finances)

[lock-uncertainty-pension-incomes-and-public-finances](https://ifs.org.uk/publications/triple-lock-uncertainty-pension-incomes-and-public-finances)



## RECOMMENDATIONS

- 1 The UK government should introduce a child lock that applies to all children's benefits: child benefit, the child element of universal credit, and the disabled children's element. This lock would guarantee that children's benefits rise in line with inflation or earnings each year, whichever is higher – ensuring that children are protected during periods of high inflation, and stand to benefit during periods of growth.
- 2 The two-child limit and the benefit cap should both be scrapped.
- 3 Child benefit should be reformed so that children whose parents have no recourse to public funds can access this benefit.
- 4 Child benefit should be reformed so that single-income households are not unfairly penalised. The HICBC calculation mechanism should be reformed and based on household income, not individual income.



## RESPONSE TO CHILD LOCK

**I think people, all parents, they will all back it. I think personally, every single parent that I know, they would be for it, because we're all kind of in the same boat.**

**Parent of three, London**

The children and parents we spoke to as part of the panel and focus groups were immediately responsive to the child lock concept. All the young people were overwhelmingly in favour of increasing children's benefits in the way that pensions were increased each year. Amongst the young people and parents, arguments clustered around several key themes: fairness and social justice, the need to invest in children as the future generations of workers, and the health, social and economic costs of poverty.

Young people spoke about ageism, and a sense of fairness of providing older individuals with more financial benefits through the 'triple lock' on pensions and prompting reflection on whether age-based policies and resource distribution align with principles of social justice, fairness, equity and non-discrimination.

**The thing is, what's morally wrong is that the government knows there's these poor areas where there are children and families living in poverty and they just let them struggle and they're not really doing much to help**

**Youth panel member**

Parents spoke about the difference between generations, and reflected that things are harder for young people.

**I'd say to my eldest, who is 23, when I was 23, I bought my first flat, had my own business. And I just said to her, I don't judge you in any way. And you shouldn't look at me and try to measure yourself against me growing up in a completely different world... It feels like a black hole, a big slippery slope.**

**Parent of three, Scotland**

Certain statements made by the young people and parents imply that addressing child poverty is not only a matter of social justice but also an important investment in the overall wellbeing of the UK. Young people are aware that growing up in financially stable families can enable better educational outcomes, improved health, and increased opportunities for personal and professional development.

**If they increase child benefits in line with inflation there would be a decrease in poverty and that would lead to better lifestyle choices and families would afford healthy food and that would save the NHS loads of money**

**Youth panel member**

Parents and young people also felt that it was worth investing in children as the future of the country.

I think that no matter how many children you choose to have in this country your children should be safe, they shouldn't be living in poverty or affected by the cost-of-living crisis like we are because they are the future.

Youth panel member

Some jobs just don't pay as well as others and even if you have a job, you still might be struggling financially. So, if you want to get a good wage you have to work long hours, but then what happens if you have children, you end up paying for childcare so you might be even worse off.

Youth panel member

It is a shared response to what I believe is a shared responsibility, and everyone needs to do it, whether you have kids or not. Because if you don't have kids, and you end up in a care home, someone else's kids is going to be the nurse looking after you, it takes a village, it's swings and roundabouts

Parent of three, London

Through our work with Public First, we also spoke to members of the public about the child lock concept. Broadly, these focus groups found that the principles of

intergenerational fairness (child lock vs triple lock) and the ability of the child lock to enable a decent standard of living chimed well with the public.

I don't think there is any really good argument to not have a child lock. If you look at people that are on income support, a lot of them, if you look at a huge amount of jobs that are advertised say locally, they are all on minimum wage. What if you are two grown up adults with kids, doing two jobs on minimum wage? How are you possibly going to survive?

Focus group participant

Many of those we spoke to agreed that things had gotten harder for children, both in terms of financial resources and the experience of claiming support.

I do think children's needs are not being met. Obviously, because of what's happened with COVID, it still goes back to COVID. Interest rates keeps going up. Your middle class working people, they're struggling to even put uniforms on kids' backs sometimes.

Focus group participant

It's not just the investment in the children, it's the process they have to go through, to get the investment... it's the mental health services, it's the people who access then, it's the psychiatrists... it takes so long.

Focus group participant

## CONCLUSION

Poverty is holding children back, and having long-term impacts on the health, productivity, and prosperity of the UK. The welfare state was designed to support families 'from the cradle to the grave', but the focus has moved away from the cradle and children living in poverty are disproportionately impacted. Building a brighter future for our children starts with equal access to opportunities. Child poverty is not just about bad luck, but it is driven by systemic failure and political decisions. The UK government must take urgent action to tackle the rising child poverty levels.

Progress must start with committing to locking spending on the services and systems that provide the foundations for a secure future, enabling families access to financial support when they need it most, and empowering children to fulfil their aspirations. Without a firm commitment to spending on children, child poverty levels will continue to rise, and even more children will be pulled into a life of financial hardship.

The UK government must not spend in one area and then take away in other – what children need is long-term investment across the support services and systems they access.

Additional child lock reports on how the system could provide more security for children across housing, education, and mental health, are available on our website.

## RECOMMENDATIONS

- 1 **Lock** all children's benefits so they rise each year in line with inflation or earnings.
- 2 **Scrap** the two-child limit and the benefit cap.
- 3 **Reform** child benefit so that children whose parents have no recourse to public funds can access this benefit, and so that that single-income households are not unfairly penalised.

