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CELGIS's response to the Scottish Government's consultation on Universal Credit: mitigation of the two-child limit

April 2025

CELGIS, the Centre for Excellence for Children's Care and Protection, based at the University of Strathclyde, is a leading improvement and innovation centre. We improve children's lives by supporting people and organisations to drive long-lasting change in the services they need, and the practices used by people responsible for their care.

CELGIS welcomes the opportunity to submit our views in response to the Scottish Government's consultation on mitigation of the two-child limit.

Our response is underpinned by research evidence, practice experience, and extensive insight and intelligence from people with lived experience and from professional practice. This has been gathered through our long-standing, cross-organisational and interest-specific networks, as well as our consultants with lived experience of care. These networks include people across the workforce, including leaders working across the spectrum of children's services and other public services working in support of children, young people and their families, and adults with care experience, amongst others.

Question 4: Do you have any information you wish to share about any additional potential impacts of the proposed approach outlined in this consultation?

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As the Scottish Government looks at an approach to mitigating the two-child limit there are some important considerations that should be factored in concerning the needs and circumstances of children in need of support, care and protection and their families. Addressing the impact of the two-child limit should not be seen in isolation from all other current UK and Scottish policy measures that are having an impact on household



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costs, finances, financial stability or instability, and the pressures these cause or alleviate.

Removal of the two-child limit

First and foremost, we would like to reaffirm our position, as members of the End Child Poverty Coalition, that the two-child limit should be ended. This would enable at least 300,000 children to be lifted out of poverty across the UK, upholding their rights under the United Nations Convention on Rights of a Child (UNCRC), specifically action to address child poverty outlined in reporting by the Committee on the United Kingdom (Committee on Rights of a Child 2023, page 16).

There are early signs that the Scottish Child Payment is being effective in helping to drive down Scotland's child poverty rate. We know, however, that much more is needed and at present Scotland appears unable to meet the current Child Poverty targets (Fraser of Allander Institute, 2025). Accordingly, we also wish to see the rate of the Scottish Child Payment increase. The system established by Social Security Scotland used for this purpose is up and running already, something we understand would not therefore require new work, data or incur costs associated with setting up a new system of payments.

Intersectionality between poverty and care experience

We would urge the Scottish Government to consider the evidence that clearly identifies links between children needing the support of the care system and poverty. The body of work by Paul Bywaters and others (Bywaters and Skinner, 2022) makes this clear and supporting families at risk and tackling poverty should go hand in hand. Furthermore, persistent, intergenerational poverty has led to intergenerational involvement with the care system, creating a legacy of preventable intergenerational trauma. The Promise of the Independent Care Review (2020) was clear that it is not possible to review or reform Scotland's care system without properly considering the pervasive impact of poverty. The Promise concluded that there must be "significant, ongoing and persistent commitment to ending poverty and mitigating its impacts for Scotland's children, families and communities". For The Promise to be kept by 2030, Scotland needs to break that cycle and work towards preventing and easing poverty for families which should continue to be prioritised by The Scottish Government.



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The specific needs of care experienced parents including care experienced young people

All parents need help and support: parents with care experience may have specific concerns or need additional support. Care experienced parents face significant financial challenges, often lacking the safety net of family support. The costs of independent living, combined with financial insecurity, for this group of people should be considered when developing any policy aimed at keeping children out of poverty in Scotland. Young parents with experience of care may need even more financial, practical and emotional support as they navigate parenthood as well as young adulthood. Young people under 25 also receive a lower amount of Universal Credit, compared to the rest of the population. This puts them at further risk of poverty, particularly for young people with experience of care who are more likely to rely on employment at that age.

Birth parents of children in care

Research completed by One Parent Families Scotland and The Promise Scotland (2023) outlines the significant challenges for birth families when financial support is withdrawn after a child goes into care. This welfare support can also take time to be reinstated when the child returns home to live with their parent/s. Any processes to mitigate the two-child limit should consider the needs of these children and their families. This recommendation from the research report should be taken into account when planning how to mitigate the two-child limit in Scotland: "...the Scottish Government should introduce flexibility to Scottish benefits to provide for families in exceptional circumstances, so that benefits continue after a child is removed. This would require discussion with officials from Social Security Scotland who have the expertise on whether this would require a change to regulations or legislation" (page 31).

Individual income changes will not mean substantial change for children and their families who are facing a wide range of pressures and challenges and may be in need of support

There should be no doubt that ending the two-child limit would be a significant step to alleviating some of the worse pressures on families who need welfare support. This policy of restricting support for families with more than two children has now been in place for eight years and is just one part of a bigger picture of individuals and families across the UK



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struggling to make ends meet, and where analysis tells us that the welfare system does not provide enough support to meet the costs of the essentials of everyday living.

Engagement work by the End Child Poverty Coalition in response to the UK Government's Child Poverty strategy found that adequately funding organisations that provide services which deliver community-based family support is a necessary part of mitigating the impact of poverty in families' lives. Several members shared that a lack of sustained funding for community centres will contribute to the longer-term and enduring challenges of child poverty and wider poverty.

Local support networks effectively signpost families to the services they need, advocating for them, offering comprehensive holistic support that addresses practical, emotional and financial needs while combating social isolation. The role of holistic whole family support, providing families with a combination of practical, emotional and financial support, is well evidenced as being significant in response to the material impact of poverty and intersecting challenges in families' lives, as well as supporting families who may experience anxiety and often the traumatising effects of deep, financial insecurity. Both governments in Scotland and in the UK should ensure that there is sustainable, long-term investment in community support for families.

Families need financial support and sustained investment in services now

Any policies designed to prevent children living in poverty should consider both individual financial support and investment in local services. Both require investment now. One of the potential impacts of the proposed approach in this consultation is the time and complexity involved. Families are in need now; organisations are under severe pressure and unable to meet demand or have the surety that services can be sustained.

The proposed approach does not offer financial support now. As yet it is also unclear whether this approach will be able to be established, or if not whether an alternative use for the funding set aside for this will be found and how this might help families and their children.

The ambition to end child poverty is interconnected with Scotland's aspirations and outcomes outlined in the National Performance Framework and many policy commitments, including its commitment to The Promise



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of the Independent Care Review. This concluded that children growing up in poverty are overrepresented on the child protection register and are more likely to need to be cared for away from their families. It was noted that when a child goes into care, this often creates a damaging cycle: families relying on social security benefits face increased financial hardship, which reduces their ability to provide a safe home environment. In turn, this can prevent children from returning home or extend their time in care. Measures that prevent poverty and lift children and their families out of poverty cannot wait.

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