

Women's Budget Group

Response to the 2003 Budget

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The Women's Budget Group (WBG) is an independent organisation bringing together academics and people from non-governmental organisations and trades unions to promote gender equality through appropriate economic policy.

WBG is co-chaired by Professor Susan Himmelweit (Open University), Dr. Katherine Rake (Fawcett Society) and Professor Sylvia Walby (University of Leeds).

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Key Recommendations

- The UK has a larger gender productivity gap than many comparator countries. The Chancellor should develop analysis and policy instruments to monitor and tackle the gender productivity gap.
- Work place training schemes should be extended to people who wish to return to work after a period of caring but need training to re-enter the labour market in quality jobs. This will contribute to narrowing the gender pay gap, increasing paid employment for lone parents and abolishing child poverty.
- Job centre staff should be able to use additional funds to tackle the particular barriers faced by all women, and especially those dealing with multiple discrimination, in finding paid employment.
- Consideration should be given to the particular difficulties faced by those with caring responsibilities, and the interests of those that they care for, when deciding whether to increase the conditionality of job seekers benefits.
- We welcome efforts to help lone parents into paid employment, but the Government must recognise that a substantial number of lone parents are not in a position to take up immediate employment.
- The current British pension system, state and private, is grossly inadequate for women and in need of a radical overhaul. Pensions must be restructured so as not to penalise women for their contribution of caring work. The system of caring credits in particular should be revamped to give adequate reward for women's unpaid work.
- WBG welcomes the support offered to the main carer through the new system of tax credits but maintains that Child Benefit is the most effective form of spending to address child poverty as it also 'follows the child' via receipt by the main carer but has few of the problems of complexity or take-up. The money allocated to the Child Trust Fund would be better spent on increasing Child Benefit.
- We welcome the commitment to increasing transparency on the level of performance against PSA targets and recommend that in order to deliver transparency their performance should be measured using gender disaggregated statistics, even if gender is not named within the PSA. Lessons should be learnt from the HM Treasury and Women and Equality Unit Gender Analysis of Expenditure Pilot project.
- Whilst we understand that the Government wishes to give the voluntary pay audit approach a fair trial – we ask that it be monitored carefully and that serious consideration be given to more powerful methods of closing the gender pay gap.

1. Introduction

1.1 The WBG fully endorses the Chancellor's commitment to maintaining public expenditure on welfare in a time of low economic growth. Sustaining this expenditure on both welfare and public services is key to improving women's lives as workers and as citizens.

1.2 We are aware that the Government has, until now, made little effort to conduct a gender analysis of its public expenditure. Gender analysis of expenditure and revenue has taken place in more than 40 countries around the world with subsequent improvements to the policy making process and policy outcomes. We are therefore delighted that HM Treasury, in conjunction with the Women and Equality Unit, is exploring the use of this important form of analysis in the UK context and await more details.

1.3 We welcome the drive towards full employment that has led to so many jobs being created, and the commitment to a high skill economy. This is especially important for women, many of whom are trapped in low-skill part-time employment. However, in order to deliver on the commitment of a high skill economy the Chancellor needs to consider women's training needs, including whether specific policies and programmes are needed to support women re-entering the labour market or attempting to return to full-time employment. To do this it is important to give attention to how high skill high quality jobs for both full and part-time workers can replace the low quality part-time jobs in which many women who have, or have had, caring responsibilities are trapped. Further, to reduce the skills lost and improve the choices open to women, it is important that the right to flexible working arrangements for people with caring responsibilities becomes a reality. Whether existing legislation is sufficient to achieve this remains to be seen.

1.4 We recognise and welcome the progress that has been made since 1997 on many issues of welfare and economic reform. However, the signal that the Chancellor gave that the next stage had been reached in the welfare reform process does not apply to gender inequalities; indeed these remain wide and persistent. Further, while we welcome the target on child poverty, we stress that attention should be given to the link between child poverty and women's poverty; the child poverty targets will not be met unless the widespread poverty of women is tackled.¹ We recommend that concerted action and backing from the highest level be given to reducing the gender pay gap, the level of women's poverty, the pensions crisis for women and ensuring women's financial independence if we are truly to 'build a Britain of economic strength and social justice'.

¹ Jonathan Bradshaw *et al.*, *Gender and Poverty in Britain*, Working Paper Series no. 6, Equal Opportunities Commission, 2003

2. Macroeconomic Stability

2.1 Commitment to Public Spending

The WBG commends the Chancellor on his continuing concern with macroeconomic stability by choosing to spend, rather than retrench, at this stage in the economic cycle. We welcome his commitment to full employment and to continued public expenditure as a way of avoiding a potential deflationary spiral.

3. Meeting the Productivity Challenge

3.1 Gender Productivity Gap

3.1.1 We welcome the Chancellor's re-iterated commitment to a high skill full employment economy. However, we think that the Chancellor is letting slip opportunities to produce such an economy. The UK has a larger gender gap in productivity than many comparator countries as noted in the recent report for the Department of Trade and Industry by Sylvia Walby and Wendy Olsen.²

3.1.2 The WBG notes the importance of increasing the rate of productivity growth and of closing the productivity gap. However, this challenge would be met with greater success if the effects of gender were more overtly acknowledged. We are disappointed by the continued reluctance to produce analysis and policy specifically targeted at the gender dimension of the productivity gap

3.1.3 Additionally, it should not be assumed that all women doing unskilled work are themselves unskilled. Many women are doing jobs that do not use previous skills due to time out of the labour market for caring and subsequent re-entry into a low skill job because either they have 'lost' their skills in their time out, or because the low skill job better accommodates their caring responsibilities. This is a waste of actual as well as potential skills. A real and effective right to flexible working could reduce this problem.

3.1.4 We recommend that the Chancellor develop analysis and policy instruments to target the gender productivity gap.

3.2 Enterprise

3.2.1 We welcome the aim to raise new business creation in every region up to the levels of the best regions, and government action to help small businesses access capital. Currently women are less likely to be running their own business than men. It is important that the Government supports the entrepreneurial spirit of both women and men for the benefit of job and wealth creation.

3.2.2 We recommend that the state funds used to support entrepreneurship are structured so as to ensure that women, as well as disadvantaged communities, suffer no disadvantage in attracting start-up funds and receiving the ongoing support. We recommend that the Enterprise Investment Scheme, Venture Capital Trust, the Small Firms Loan Guarantee schemes and the new package of training and support for small and medium enterprises have the promotion of equal opportunities for women built into their core objectives, and that the distribution of their funds and resources be monitored using gender-disaggregated statistics.

² Walby, S. & Olsen, W., *The Impact of Women's Position in the Labour Market on Pay and Implications for UK Productivity*, Department of Trade and Industry, 2002

3.3 Regulation

3.3.1 The Chancellor said that “next month the Home Secretary will designate, for reform or abolition, 40 additional regulations and procedures, making a total of over 500 regulations and procedures – 500 introduced by previous governments – now identified for removal or reform”. We understand the need to reduce red tape but there are desirable regulations, for both employers and employees, which we would not wish to lose. As the Budget notes ‘Effective and well-focused regulation can play a vital role in correcting market failure, promoting fairness and ensuring public safety’. Reduction in regulations for small firms needs to be done in such a way as to avoid damaging women’s rights and opportunities in the workplace.

3.3.2 In addition the Chancellor said that no changes due to European regulation, such as the Working Time Directive, should risk British job creation. However this may not be compatible with his aim of improving the quality, and not just the quantity, of employment in the UK which is necessary to boost productivity. The Working Time Directive provides for a central aspect of work-life balance, and thus of access to employment for those with caring responsibilities, many of whom are women. Its unenthusiastic implementation reduces the ability of carers, including lone parents, to take employment, a key lever of many of the Chancellor’s main policy objectives.

3.3.3 The Chancellor also stated that he would be proposing further liberalisation of services and faster removal of tariffs. In the UK there are millions of women working in the service sector of whom many work part-time. In the past liberalisation impacted particularly on part-time and low paid work. It is important that any further liberalisation should not worsen the pay and working conditions of the most vulnerable workers, many of whom are women.

3.3.4 Regulations designed to help or protect workers, and especially part-timers and women workers, should not be removed or diluted. Rather, we recommend the more rigorous implement of EU Directives on Working Time and Part-Time Workers to improve the employment conditions and hence productivity of these workers.

3.3.5 The Government must take action to ensure that the liberalisation of services does not have negative impacts on the women concentrated in this sector.

3.4 Training

3.4.1 The extension of the funding for the Employer Training Pilots for work-place training for people with low skills is a positive step, especially as this involves many women. However, these schemes exclude those people who have been out of the labour market with caring responsibilities but are planning to return. Provision for those returners who wish to improve their skills before re-entering the labour market is important in order to ensure access to high skill jobs and such provision will deliver on the Government’s targets to abolish child poverty and find paid employment for single parents.

3.4.2 Work-place training schemes should be extended to people who have not yet returned to work but need training to re-enter the labour market in quality jobs.

3.5 Modern Apprenticeships and gender stereotypes

3.5.1 We note that the Government is placing an emphasis on training for young people, but have some concerns about continuing gender stereotyping in the Modern Apprenticeship programme. We hope that the proposed expansion in modern apprenticeships will be used as an opportunity to tackle gender segregation within the modern apprenticeships scheme.

3.5.2 75% of working women are found in just 5 occupational groups: associate professional and technical (e.g. nurses), admin and secretarial work, personal services (e.g. caring for children or older people), sales and customer service, non-skilled manual work. The vast majority of jobs in these sectors pay less than in sectors where men pre-dominate, entrenching the problematic gender pay gap which has stagnated at 19% for full time employees.

3.5.3 The modern apprenticeships programme is even more heavily gender segregated than the labour force as a whole. 96% of engineering apprentices are men whereas 89% of health and social care apprentices are women. Continuing gender segregation limits people's opportunities, especially women's, and places costs upon the economy as a whole. Tackling the problem should also help expand the number of workers, in those 'feminised' areas (such as childcare) where there are staff shortages.

3.5.4 We urge Government to undertake a programme of action to tackle gender stereotypes in schools, and to open up opportunities within Modern Apprenticeships for women and men in non-traditional employment areas.

3.5.5 We support the EOC's call for the setting up of a challenge fund to support schools tackling these issues.

3.5.6 We recommend that targets be set in specific sectors such as IT, where there is currently a skills shortage, to increase the numbers of young women with the right qualifications.

3.5.7 The Government should explore means of making Modern Apprenticeships more gender equitable. One option might be to offer a flat rate payment (rather than pay being determined by market forces as it is for wages for workers) to reduce both the gender pay gap and gender segregation in those occupations for which Modern Apprenticeships are available.

3.6 Trade Union Learning Fund

We welcome the extension of the fund.

4. Increasing Employment Opportunity For All

4.1 Minimum Wage

The WBG welcomes the increase in the National Minimum Wage, which is important to so many women on low earnings.

4.2 Employment

4.2.1 We note that local job centres are to be given new discretionary powers. We are concerned that care needs to be taken to ensure that gender equity principles are strongly upheld in the discretionary aspects of the new policy. We note that the Chancellor said that "drawing on a new ethnic minorities fund, jobcentre staff will be able to tackle the particular barriers facing those who too often miss out on jobs". We welcome this and hope that particular care will be given to helping ethnic minority women who miss out, as well as women who miss out as a result of other discrimination.

4.2.2 We note that higher rewards to top managers of job centres in relation to these new powers may be structured to provide performance related pay. The implementation of performance related pay has often proved to be indirectly discriminatory against women in the past. We recommend that avoiding such discrimination be a key issue in deciding whether and how to implement performance related pay in all public sector employment.

4.2.3 We are aware of the trend towards conditionality of benefits for job-seekers and urge the Chancellor to consider the practicality of complying with these conditions for people with childcare and other caring responsibilities. We are specifically concerned about the new requirement that job seekers will sometimes need to be prepared to travel up to one and a half hours to work as a condition of benefit. We recommend that no new conditions are imposed on people with childcare and other caring responsibilities that might add to work-life balance problems or be detrimental to the interests of those that they care for.

4.2.4 Job centre staff should be able to use additional funds to tackle the particular barriers faced by all women, and especially those dealing with multiple discrimination, in finding paid employment.

4.2.5 There needs to be realistic and objective criteria to ensure that achievements in the areas of equality and diversity are a central part of job centre managers' pay appraisals.

4.2.6 Consideration should be given to the particular difficulties faced by those with caring responsibilities and the interests of those that they care for when deciding whether to increase the conditionality of job seekers' benefits.

4.2.7 It should be ensured that gender stereotyping does not affect opportunities for employment for either women or men.

4.3 Measures to help working parents

We welcome the improved maternity leave and pay, and the new paid paternity and adoption leave. However we remain concerned that the rate of pay is not sufficiently high to allow new parents to take advantage of this time with their children. We fear that many new mothers will not be able to afford to take their entitlement to 26 weeks of leave, because after the first six weeks this is only paid at £100 per week. We know from research done by the DTI in 2000 that over half of new mothers did not take their full 18 weeks entitlement because they could not afford to.

4.4 Lone Parents

4.4.1 The WBG welcomes the government's continuing concern for increasing women's employment opportunities and the amelioration of child and family poverty, particularly amongst lone parent households.

4.4.2 The WBG recognises the importance of personalised and tailored support for those seeking, or recently having taken up, employment. In particular, the WBG welcomes the offer to lone parents who voluntarily attend regular work focused interviews, and undertake job search, of an extra £20 a week to cover job search costs, and the subsequent top up to wages for a year of £40 per week to ease the transition from welfare to work. We particularly welcome this payment being made 'on top of normal benefit entitlements' and assume that it will not therefore be taken into account when calculating entitlement to the new tax credits. However, such measures to increase lone parents' employment rate will only be successful if supported by sufficient local, affordable, high quality childcare facilities, including infant daycare, before and after-school provision and school holiday all-day care.

4.4.3 We welcome the enhanced work-focused support for lone parents through the £12 million mentoring programme announced in the last budget. The decision to pilot a new communications and outreach strategy to support this programme in six major cities, is based on the report of the National Employment Panel's Steering Group on Lone Parents 'Work Works'. Those delivering a mentoring service will need to have a great deal of sensitivity to the complex problems faced by lone parents who are more distant from the labour market. There is, as yet, very little detail with regard to the extent to which one parent family organisations will be involved.

4.4.4 A substantial number of lone parents are not in a position to take up immediate employment, for a range of reasons including the age of their children, displacement, poor health, low self-esteem, lack of training, lack of access to flexible employment and affordable childcare. Many lone parents have made a positive choice to care for their children at home when they are young. Government figures indicate that a quarter of children in one parent families are disabled or have a long-term illness and 20% of lone parents state that their own poor health prevents them from working. A significant number of lone parents have also experienced domestic violence, and have moved away from the vital support network of family and friends.

4.4.5 More targeted strategies are needed to improve the health, self-confidence and skills of lone parents who are not in a position to take up employment or become involved in the NDLP at the present time. The voluntary sector is well placed to draw more isolated one parent families into community settings, and to support lone parents in gaining confidence, skills and training that will help them, in the longer term, to join the NDLP and find employment. The NDLP Innovation Fund has supported a limited number of successful intermediate labour market models run by the voluntary sector, but these have been time limited. No ensuing initiative has been introduced to incorporate the lessons learnt into a broader programme involving a Government and voluntary sector partnership.

4.4.6 If the scheme of added financial support to lone parents searching for and taking up paid employment opportunities is the success it promises to be, we urge the government to roll out the scheme beyond the pilot areas as soon as is reasonable. However, we are concerned about schemes getting more and more complex, with special rules for special groups, often for limited amounts of time.

4.4.7 Women's wages are so low and childcare cost remain sufficiently high, even when partially subsidised, that even if all lone parents were in employment child poverty targets would not be met. It is therefore important that all lone parents receive an increase in child related benefits (both child benefit and the child tax credit).

4.4.8 A much broader government strategy to support lone parents is needed to focus not only on employment, but also on ways in which lone parents can be supported in improving their lives, and preventing the risk of increasing social and economic exclusion. This should include funding for self-help groups, lone parent volunteer projects, and an intermediate labour market programme that supports lone parents in making the transition into work.

4.4.9 The government should consult more proactively with lone parent self-help groups, women's groups and one parent family organisations in developing and delivering services to lone parents who are more distant from the labour market. The new mentoring programme should involve voluntary sector and one parent family organisations working at a grassroots level in delivering a holistic mentoring service that is not entirely centred on the world of work, and is sensitive to the complex problems faced by lone parents who are not involved in the NDLP.

5. Building a Fairer Society

5.1 Pensioners and Pensions

5.1.1 WBG welcomes the Government's recognition of the need for age related additions to the winter fuel allowance through the extra £100 pledged in the Budget for every household with a pensioner aged 80 or over for the life time of this Parliament because it is universal, not taxed or means-tested and has no take-up problems. The over eighties are the poorest pensioners and are more likely to be living alone; and a large proportion of them are women.

5.1.2 We are also delighted that the Government has recognised the need to maintain benefits payments at the full rate for the first 52 weeks of a stay, rather than the previous 6 weeks of a stay in hospital for all pensioners and people of working age. We hope that this applies to income support and to council tax and housing benefit as well as to retirement pensions.

5.1.3 However, these reforms announced by the Chancellor in the recent Budget and Pre Budget reports, and the reforms announced by the Secretary of State for Work and Pensions in the recent Pensions Green Paper, will make very little impact on the crisis faced by both current and future generations of women pensioners. The current British pension system, including state and private pensions, is grossly inadequate for most women, whose lives have been, and are likely to continue to be, structured by caring responsibilities as much as by paid employment. As long as pension acquisition continues to depend on full-time, continuous, well paid work, it cannot meet the needs of women.³

5.1.4 A pension system based on supplementing inadequate pensions by means-tested benefits or tax credits is not a substitute for such an overhaul. Individuals are unable to know how to invest responsibly in their own pension provision when the effective return on their investment depends on household means-testing. In building up their pension provision, people cannot know what their partnership status will be when they come to collect their pension, nor what their partner will contribute. Women are likely to be particularly vulnerable in this as they have been traditionally encouraged to rely on their partners to provide. They may therefore have unrealistic expectations of their current partnership's contribution to their long-term financial security, and, due to women's low pay and caring responsibilities, have reduced opportunities of building up their own pension.

5.1.5 We welcome the additional £100 in winter fuel allowance. However pensions must be restructured so as not to penalise women for the unpredictability and discontinuity of many women's home and working

³ A more complete and comprehensive WBG position, in which we argue that the British pension system is due for a radical overhaul, is set out in our response to the recent Green Paper and in our submission to the House of Lords Economic Affairs Select Committee.

lives and tailored better to their particular needs. A revised caring credits system could boost women's entitlement to state pensions.

5.1.6 Currently only the state is able to remove the financial impact of the unpredictability of women's working lives in relation to pension provision. It is therefore essential, if both current and future generations of women pensioners are to be lifted out of poverty, that the adequacy of the Basic State Pension (BSP) be improved.

5.1.7 The BSP should be increased to at least the current level of means-testing, linking the growth in the level of the BSP to earnings growth, and considering raising age-related additions.

5.1.8 More women should be entitled to the BSP given the volume of work, paid and unpaid, that they contribute to the UK economy.⁴ The gaps that remain in BSP coverage must be plugged by making changes to the eligibility criteria:

- The Lower Earnings Limit (LEL) should be reconsidered (currently there are 1.4 million women earning below the LEL in the UK)*
- There should be a reduction in the number of years of paid employment required for entitlement to a full BSP.*
- The definition of contribution year must also be relaxed to allow the aggregation of part years or part time work.*
- The 25% rule should be abandoned.*

5.1.9 The contribution conditions on the S2P should be relaxed to ensure that those most in need, the majority of whom are women, are not disqualified. In particular the child age threshold for claiming caring credits should be raised in line with Home Responsibilities Protection to 16 rather than current age of 6.

5.1.10 The pension credits for caring (including HRP) should be redesigned to better meet the needs of carers:

- They should be provided as a positive credit which actively rewards caring rather than simply reducing the overall eligibility requirements for the BSP.*
- Credits should also be provided for a broader variety of carers. For example grandparents who care for their grandchildren and so are unable to stay longer in paid employment.*
- The credit system should allow carers to combine caring with some participation in the labour market by relaxing the 35 hour rule by which carers have to care for more than 35 hours per week to qualify.*
- It should be possible to combine part-years of HRP.*
- A system for providing state credits for low earners and for periods of caring into private schemes would make the private system better suited to the needs of women.*

⁴ Provisional estimates for the value of unpaid work based on the 1999 Household Satellite Account Time Use Data have been calculated – these range from 44% of GDP to 104%

5.1.11 In exhorting people to save for their own old age, the possible consequences of relying on husband's savings should be made clear to women.

5.2 New Tax Credits

5.2.1 We are concerned that the take-up rate of the tax credits is low. Reports suggest that as many as one third of those eligible have failed to claim tax credits.⁵ This means that some of the neediest families in the country are living in greater poverty than the government intends. We are also worried by the press reports of delays in the payment of the new tax credits, and the need for emergency payments from Inland Revenue offices and hope that these are temporary problems are resolved swiftly.

5.2.2 We note that the government's 'money2mummy' campaign about the new tax credits suggested that in couples receiving CTC, men would be receiving less money and women more. Whilst this will certainly be the case for many, it will not be the case for all couples. In those couples who chose for the 'main carer' (usually the mother) to receive working families' tax credit, she will actually get less money in future, because the in-work wage supplement, working tax credit, will be paid via the pay packet to the main wage earner, with no choice for the couple. Only the child element (CTC) will in future be paid to the main carer. Thus there will be some losers as well. This was not clear in the publicity and some couples may be misled. This may have significant effects if, as a result, the gaining partner does not compensate the loser.

5.2.3 We continue to support the payment of child tax credits to the 'main carer' and the understanding that this is most usually the mother. However, we are keen that the campaign does not enforce or entrench gender stereotypes so we are keen that the recipient is referred to as the 'main carer' and not necessarily the mother.

5.2.4 Research must therefore be directed to solving the problem of low take-up and reconsidering features, such as means testing, if these are shown to be responsible for the low take-up rate.

5.2.5 As one solution, which could be adopted alongside others, we would urge the government to put as large as proportion of resources as possible into child benefit, which also 'follows the child' via receipt by the main carer but has very few of the problems of complexity or take-up of means-tested benefits or tax credits. In addition to the important advantage of a secure and stable form of income, this also removes a major source of stress from the main carer, which is likely to benefit children in her care.

5.3 Child Poverty

5.3.1 We were pleased to hear the Chancellor reiterate his targets on eliminating child poverty and we applaud the Government's stated commitment to ensure that every child has the best possible start in life. However, we are concerned about ensuring continued progress towards

⁵Guardian Society, 30 April 2003, p.8

this goal and the failure of the Government fully to understand the need to tackle the prevalent problem of women's poverty if it is to meet the child poverty targets. The inadequate consideration given to women's poverty in the annual Households Below Average Income report is a worrying indication of this problem.

5.3.2 Child poverty targets can only be achieved if policies are put in place to raise women's wage levels and increase the levels of child benefit and child tax credit. We welcome the fact that child related benefits are now no longer based on employment status, thus removing any disincentive to employment that increasing their rates would provide. However, more thought needs to be given to reducing further the disincentive to second earner's employment, since, given the high rate of partnership break down, it is on the earnings of their mothers that many of the children at risk of poverty will depend in the long run. The Social Fund should also fulfil its role in supporting the poorest and most vulnerable in society.

5.3.3 Further, to reduce child poverty, it is important that entitlement to benefits and tax credit is based on need rather than nationality. In recent years there has been an increasing link between immigration status and access to social welfare. Legislation now excludes from entitlement to most social security benefits, tax credits and social services support many families who are residing lawfully in the UK. Unless this issue is addressed it will be impossible to eradicate child poverty from this country.

5.3.4 WBG would like more details on progress so far in meeting child poverty targets and welcomes the chancellor's announcement that he would be consulting on what future/additional steps are needed to meet its longer-term goals on child poverty. Because of the manifest link between women's and children's poverty, the WBG believes that it has much to offer in developing programmes to meet the more challenging problems that remain.

5.3.5 The Social Fund must be reformed to ensure that it fulfils its promise of assisting the poorest and most vulnerable people in our society, including lone parents and migrant families with children living in poverty.

5.3.6 The Government must address the current problem of eligibility for social security benefits and ensure that all people in need, including immigrant families, are granted entitlement and encouraged to take up their rights.

5.4 Childcare

5.4.1 The WBG also welcomes the announcement that the future of childcare and family friendly policies will be reviewed in the lead up to the 2004 Spending Review and the Government's commitment to engage in a nationwide dialogue with family and parent groups and voluntary associations.

5.4.2 This is a clear acknowledgment that the previous childcare review undertaken by the Strategy Unit to inform the 2002 Spending Review has

failed to address fully the scarcity of childcare places and that access to childcare depends upon where parents live, as well as upon parental income and employment status. It is also a welcome recognition by government that without good quality, affordable childcare that is accessible, much of the welfare reform agenda will fail and the child poverty target and the 70% employment target for lone parents will not be met.

5.4.3 We welcome the government's intention to consult on proposals to widen the opportunities for those wanting to become home childcare workers. At present only registered childminders are able to be home childcare workers in England and Wales, preventing, those with NNEB or NVQ qualifications in childcare, as well as Youth and Community workers, retired teachers and other suitably qualified people from undertaking this work. Organisations wishing to set up home childcare projects are also being impeded, as there are no regulations to support this service in England and Wales.

5.4.4 To ensure that this Childcare Review is more useful than the last it should consider the limitations of market solutions to the childcare crisis; issues of quality provision, with trained, well-paid, permanent staff; provision that is local and affordable and issues for children with special needs

5.4.5 We urge the Chancellor to ring fence the substantial funds needed to rectify the problems identified by a new review to ensure that this time around the problem is tackled effectively.

5.4.6 We ask that the Government consider the model of the Home Childcare Programme being rolled out in Scotland grounded on the success of the Dundee Sitter Service. We urge government to support the setting up of Home Childcare Cooperatives, based on the principles of the Scottish model.

5.5 Child Trust Fund

5.5.1 We note that the Government has adopted the child trust fund in order to 'strengthen the saving habit of future generations'; but we are concerned that the policy lacks a clarity of purpose, and believe that there are more effective means of facilitating a more equal start in life for all children. Money could be better spent targeting poorer families who need the money now whilst their children are young, rather than accumulating a lump sum many years later.

5.5.2 The Government should recognise that, however well designed, the proposed scheme will disproportionately benefit the children of better-off parents, who would be more able and likely to top up their children's fund than the parents of children in poorer families. Tax relief will apparently be available to help them to do this. We fear that such provision will exacerbate inequalities.

5.5.3 Further, there is a danger that the existence of such funds will open gates for more fee-based education and training. By raising the costs of

higher education a large part of the benefit to young people will be negated.

5.5.4 The WBG argues that Child Benefit is the most effective form of spending to address child poverty. We therefore believe that the money allocated to the Child Trust Fund would be better spent on increasing Child Benefit. This would allow money to be spent when it is most needed when the children are young. It would also assist the Government in meeting its target to eradicate child poverty.

5.6 Housing Benefit

5.6.1 We welcome the plans to change housing benefit recalculation, so that delays will no longer penalize the recently employed. It will be helpful especially to those on low-paid, insecure work, who are often lone parents. We also welcome the recognition that housing benefit should not provide a disincentive to lone parents who want to work part-time. The proposed disregard of part of Working Tax Credit for Housing Benefit for lone parents taking up part-time work is therefore a welcome step. However, the proposed disregard of £11.90 is far too low.

5.6.2 The amount of Working Tax Credit disregarded in the calculation of Housing Benefit should be kept under review and consideration given to increasing that amount.

5.7 Volunteer Corps

5.7.1 We recognise the potential benefits of the pilot volunteer corps which extends to lower level school leavers the advantages of gaining broader life experience and developing useful networks that have previously been restricted to young people with access to private incomes.

5.7.2 We urge the government and voluntary sector to encourage and enable the young women and men who join the volunteer corps to be able to undertake the form of voluntary service that best suits their talents and interests, and to take proactive steps to avoid gender stereotyping and segregation of such opportunities.

6. Delivering High Quality Public Services

The WBG welcomes the Chancellor's commitment to high quality public services and the increase in expenditure on them.

We recommend the inclusion of a commitment to promote gender equality within the framework set for government departments.

6.1 Increasing Transparency

6.1.1 We welcome the commitment to increasing transparency on the level of performance against PSA targets.

6.1.2 We recommend that in order to deliver 'transparency' their performance should be measured using gender disaggregated statistics, even if gender is not named within the PSA.

6.2 Criminal Justice and Domestic Violence

6.2.1 We note the Government's commitment to reduce crime. We recommend that the Government more explicitly mainstream gender into this area, by noting the significance of violence against women, and providing challenging targets for change and reform on this area, which many women think is more important than property crime.

6.2.2 We welcome the commitment to a consultation document on domestic violence, a problem of major concern which has a serious impact on the quality of women's lives. This announcement is an indication of the recognition within Government that the costs of domestic violence impact not only on individual women but on the economy as a whole.

6.2.3 We trust that the Chancellor will make available the funds needed to implement policy reform and service provision in this area.

6.2.4 We recommend that more challenging targets be set for the public services to play their part in the reduction and elimination of domestic violence and other forms of violence against women, including, but not only, targets for the police.

6.3 Increased funding of the NHS

6.3.1 The reconfirmation of substantial extra funding for the NHS is welcome. The NHS is critical to the health and economy of the country and plays a particularly important role in the lives of women, who are the majority of users of, and employees in, the NHS.

6.3.2 The WBG also supports the decision to continue funding the NHS through general taxation. A system of healthcare funding which pools risk and is free at the point of use is important for women who earn less on average than men and hence are less able to pay for private health insurance.

6.4 Relocation and pay of civil servants

6.4.1 While not opposing the proposal to conduct a study to consider transferring staff out of London, we have concerns about how this is done,

and the impact on women and others with caring responsibilities. There is case law to show that there is potential issue of sex discrimination over any compulsory moves of staff.⁶ There might also be implications for those who do not go, because of reduced promotion opportunities. There are also implications for the partners of staff required to move.

6.4.2 Any move disrupts childcare arrangements, whether formal or those provided by relatives. These can be difficult to rearrange, particularly in areas with less provision, availability and potentially with public transport shortages. This is an area to which special attention and support should be given to reduce, even if not remove, gender inequities in the impact of such a move.

6.4.3 Gaps and inequalities within civil servants pay were supposed to be addressed by the Public Sector Pay Audits which were due for completion April 2003. However just 19 out of 93 government departments and agencies had submitted equal pay action plans a week before the deadline. WBG is concerned that findings will not be available to inform the 2003 pay bargaining round and that as a result money will not be put aside to correct any inequalities until 2006. We are disappointed that the Government is failing to set a good example in voluntarily rectifying gender pay inequalities and have grave concerns for the implications of such a 'good practice approach' within the private sector.

6.4.4 It is essential to have proper negotiation and consultation over the implementation of any staff relocation arrangements, and consideration of the full implications for staff affected and their families.

6.4.5 Whilst we understand that the Government wishes to give the voluntary pay audit approach a fair trial – we ask that it be monitored carefully and that serious consideration be given to more powerful methods of closing the gender pay gap.

⁶ Meade Hill v British Council, 1995, IRLR478