



Triple whammy:

The impact of local government cuts on women

March 2019

KEY FACTS

- Women face a ‘triple whammy’ from central Government cuts to local government funding: local government is responsible for many of the services on which women disproportionately depend; when services are cut many women have to increase their unpaid work to fill the gaps and women are disproportionately likely to work in local authorities and schools, so are hit harder when jobs, pay and conditions are cut.
- Black and ethnic minority women are the worst hit by austerity.
- Central government funding for local authorities in England fell by 49% between 2010/11 and 2017/18
- The Local Government Association (LGA) has calculated that 60 pence will have been cut from every £1 of central government funding between 2010 and 2020
- The annual funding gap is estimated to grow to £7.8 billion by 2025
- Despite growing demand and widespread unmet need, social care spending fell by 3% between 2010/11 and 2016/17
- Social care now accounts for 54% of all local authority spend
- There was a 32.6% reduction in spending on all other services between 2010/11 and 2016/17
- Almost all cuts in services for the most disadvantaged have fallen in the most deprived 20% of councils

Why is local government important for women?

Local government is responsible for providing or funding many of the services and local infrastructure crucial to the daily lives and wellbeing of women and those they care for – children, families and vulnerable adults. The impact of massive cuts in central government funding of local government since 2010 on housing, education, social care, childcare, transport, leisure and youth services has been destructive and debilitating for women – whether as primary users themselves, or as mothers and carers of elderly relatives.

Key aspects of public health and environmental and consumer protection are also the responsibility of councils and dramatic cuts to them too have undermined women’s health and community safety – whether living space, the wider environment or local goods such as toys and food. Together with schools, local government is also an important source of employment for women – many of whom also live in the council areas in which they work.

Despite its importance for women and local wellbeing, local government has borne the brunt of the Coalition and Conservative governments’ austerity measures since 2010 and also faced budget reductions through ‘efficiency reviews’, the Best Value regime and other

cuts measures under previous administrations.¹ Cuts have also impacted on important voluntary sector projects funded by local government.

These drastic reductions in funding have already had – and will increasingly have – a severe impact on councils’ ability to provide services and support to women and children and vulnerable people.² They also have a negative impact on the ability of other public services and the voluntary sector to function effectively. They are undermining prevention and leading to more crisis interventions, which are often costlier and less effective in the long term. Cuts have also led to almost 1 million redundancies in councils across the UK and cuts to pay and conditions for the local government and school workforces since 2010.³ More than three quarters of council and school employees are women.

Cuts to local services have combined with benefit changes and the onset of Universal Credit to leave women poorer in both cash and kind, since most cannot afford private housing, childcare and other services available to the well-off. A report on the situation in the UK in 2018 by Professor Philip Alston, the United Nation’s Special Rapporteur on Extreme Poverty and Human Rights, concluded that women, single parents, BME people and asylum seekers had been worst hit by the Government’s austerity regime.⁴ He also found that local government cuts were ‘damaging the fabric of society’ and that “If you got a group of misogynists in a room and said, ‘how can we make this system work for men and not for women?’ they would not have come up with too many ideas that are not already in place”.⁵ His remarks chimed with the findings of UN Independent Expert on Foreign Debt, Juan Pablo Bohoslavsky, who has argued that austerity policies around the world hit women harder and damage their human rights.⁶

Black and other ethnic minority women (BME) have felt the combined force of austerity in benefits and public services the hardest. BME women are more likely than white women to live in poor households and have large families and dependent children. The multiple discrimination they face in the labour market means that they are also more likely to be unemployed than white women and therefore more dependent on benefits, public services and voluntary sector support. The Women’s Budget Group and Runnymede Trust have demonstrated that Black, Asian and mixed households in the lowest fifth of income are worse affected by the cumulative impact of tax changes and cuts to benefits and public spending than white households.⁷ This was also true of Black and Asian households in the second lowest income band. Women refugees and asylum seekers, often dependent on support from councils, will also feel the pain of the cuts very keenly.

¹ LGIU Local Government Information Unit (2008) *Back to Front: efficiency of back office functions* (<https://bit.ly/2BZbiOR>)

² National Audit Office (March 2018) *Financial Sustainability of Local Authorities 2018* (<https://bit.ly/2oQ6www>)

³ Office for National Statistics (June 2018) *Public sector employment UK, June 2018* (<https://bit.ly/2zO1hn9>)

⁴ Office of the United Nations High Commissioner for Human Rights (16 November 2018) *Statement on Visit to the United Kingdom, by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights* (<https://bit.ly/2DoRsy2>)

⁵ BBC (November 2018) ‘Poverty causing ‘misery’ in UK, and ministers are in denial, says UN official’ (<https://bbc.in/2FDcAUb>)

⁶ Office of the United Nations High Commissioner for Human Rights (22 October 2018) ‘Women are often hit harder by austerity and cuts: UN expert says’ (<https://bit.ly/2SydKrk>)

⁷ WBG and Runnymede Trust (November 2017) *Intersecting Inequalities: the impact of austerity on Black and Minority Ethnic women in the UK* (<https://bit.ly/2PFrb1N>)

So how do councils support women's lives?

Local government has over 1300 statutory duties placed upon it – including the 200 new ones which resulted from a review by the Coalition government in 2011. These duties emanate from a number of government departments – not just the 'lead' Ministry for Housing, Communities and Local Government (MHCLG), formerly the Department for Communities and Local Government (DCLG). They include the Departments for Culture, Media and Sport, Education, Health, Work and Pensions, Justice and the Home Office.⁸

The requirements on councils are wide-ranging, not widely understood and include many functions which enable women to live full and healthy lives. These include the duty to ensure that children are educated, the assessment of social care needs and care commissioning, the provision of a 'comprehensive and efficient' library service, the promotion of the welfare of children in need and the requirement to ensure sufficient childcare for working parents or those in education or training. Other duties include waste collection, monitoring of air quality, maintenance of roads and bridges and reimbursement of travel operators for travel concessions. Councils must also provide 'sufficient sanitary conveniences', ensure safe food and provide facilities for disabled people in their homes. Some duties are more prescriptive than others.

Councils also have a number of important shared statutory duties with other public bodies. These include Joint Strategic Needs Assessments and the production of Health Improvement Plans with Primary Care Trusts and other NHS organisations. They must also work with other bodies to 'mitigate child poverty' and produce joint child poverty strategies, and produce Local Economic Assessments and Sustainable Community Strategies.

Where does local government funding come from?

There are 353 councils in England. 201 of them are district councils, with responsibility for waste collection, housing, planning and Council Tax collection. The rest are 'upper tier' authorities – shire county councils, containing shire districts – and 'single tier' London boroughs, metropolitan districts and unitary authorities, which are responsible for social care and education services, alongside all other local services.

There are three main sources of local government funding in England – taxpayer funding in the form of central Government grants, Council Tax and Business Rates. Further income is derived from trading and investment and sales, fees and charges. In 2016-17, councils' 'controllable income' was £58.7bn. 'Non-controllable income' – passed directly through councils to schools and other bodies – was £50.4bn.

⁸ UK Government (30 June 2011) *Review of local government statutory duties: summary of responses* (<https://bit.ly/2r8R0fZ>)

In 2016-17 an average of 44% of controllable income – £25.8bn – came from central Government in the form of grants, including support for local services, Rate Support Grant, retained Business Rates and all other grants except those passed directly to other agencies such as schools. A further 38% – £22.2bn – was derived from Council Tax, 17% – £9.8bn – from sales, fees and charges and a further 2% – £1.1bn – from trading and investment. A further £50.4bn of ring-fenced funding was passed directly to schools and other bodies.⁹

The proportions of Business Rate and Council Tax income varies significantly between local authorities, depending on the local Council Tax base, demography and the services provided. In poorer areas and in those where the local economy is weak, income from Council Tax and Business Rates is lower than in council areas with more buoyant local economies, higher income residents and higher value properties.

Councils are also able to build up reserves – ‘allocated’ reserves which are earmarked for specific projects and ‘unallocated’ reserves which can be used to cushion the impact of unexpected events or emergencies. Between 2010 and 2014 reserves grew in single tier authorities responsible for social care. However, in 2016/17, 66% of those councils drew on their reserves to help them meet the demand for social care. The National Audit Office reported¹⁰ that 11% of those councils would have less than three years total reserves left if they continued to use them at the 2016/17 rate.

What has happened to local government funding since 2010?

Central government – taxpayer – funding for English councils fell by over 49% between 2010/11 and 2017/18 under the Coalition and Conservative governments. Once local income from Council Tax and Business Rates was factored in, this amounted to a 28.6% real terms drop in spending power between 2010/11 and 2017/18, predicted to rise slightly to 28.7% in 2019/20.¹¹ The Local Government Association (LGA) has calculated that £16 billion will have been cut from councils’ budgets between 2010 and 2020 – the equivalent of 60 pence from every pound of central government – taxpayer - funding.¹² The LGA also estimates that the annual funding gap will grow from £2.4 billion to £7.8 billion by 2025 – based on the cost of providing services at the 2017/18 level.¹³

In February 2018, Northamptonshire County Council issued the first of two Section 114 notices during that year, warning that its financial resources – including reserves – were not sufficient to cover its commitments. This was the first time in over twenty years that a Section 114 notice had been issued. Other Conservative county councils, including Surrey,

⁹ National Audit Office (October 2018) *Departmental Overview: Local Authorities* (<https://bit.ly/2NvT5Nm>)

¹⁰ National Audit Office (March 2018) *Financial Sustainability of Local Authorities 2018* (<https://bit.ly/2oQ6wwl>)

¹¹ Ibid.

¹² Local Government Association (June 2018) *Moving the conversation on: LGA budget submission 2018* (<https://bit.ly/2ly7kij>)

¹³ Ibid.

Somerset, Norfolk and Lancashire are exhibiting similar financial warning signs.

Privatisation has had a major impact too

Local government has also been the focus of central government policies requiring widespread commissioning and outsourcing of services, starting with the Conservatives' Local Government and Planning Act 1980 and Compulsory Competitive Tendering. PFI, Best Value and other forms of privatisation were continued under Labour governments from 1997. Almost 14% of GDP – £251.5 billion per year – was spent overall on UK public procurement in 2017 and local authorities account for a large proportion of outsourced public services by value across all sectors.¹⁴ 78% of social care jobs have been outsourced¹⁵ – largely to the private sector – while other forms of privatisation such as PFI, shared services and Public-Private Partnerships have resulted in large swathes of local authority workers finding themselves transferred involuntarily out of council employment. Academisation of schools has continued the outsourcing trend.

Privatisation has had a very negative impact on the pay, conditions and pensions of council and school workers – predominantly women.¹⁶ It has also affected the content of their jobs, which have been stripped of 'emotional', skilled and caring content when outsourced, thereby reducing the quality of many local services.¹⁷

Impact of the cuts

Cuts to local services

The cuts have not fallen evenly across local government. However, many of those feeling the strongest shockwave from them are women and children. From street lighting to women's refuges, childcare to housing, parks to swimming pools and libraries, council services are part of the fabric of women's everyday lives which is now disappearing.

The combination of cuts and privatisation has impacted badly on the quantity and quality of many local services including social care, childcare, women's refuges, youth services, libraries, sports and leisure facilities, parks, community centres, school meals and street lighting.¹⁸

¹⁴ House of Commons Public Administration and Constitutional Affairs Committee (9 July 2018) *After Carillion: Public sector outsourcing and contracting* (<https://bit.ly/2KIB7cw>)

¹⁵ Skills for Care (September 2018) *The State of the Adult Social Care Workforce in England 2018* (<https://bit.ly/2DARx2r>)

¹⁶ Equal Opportunities Commission (1995) *The Gender Impact of CCT in Local Government* (<https://bit.ly/2VicNyO>)

¹⁷ The Smith Institute (2014) *Outsourcing the Cuts: Pay and Employment Effects of Contracting Out* (<https://bit.ly/2BTfgZu>)

¹⁸ UNISON (2014) *Counting the Cost: How cuts are shrinking women's lives* (<https://bit.ly/2T3CVkh>)

UNISON's 2014 report, 'Counting the Cost: How Cuts Are Shrinking Women's Lives', based on 334 Freedom of Information responses from councils and 7,554 survey responses from UNISON's women members, showed that austerity since 2010 had already led to the closure of 285 children's and 159 community centres, a cut of 13% in leisure centre budgets, £42 million from parks and open spaces expenditure and one million fewer street lights.¹⁹ Bus services had also been cut, while fares were due to rise by 24% in 2014 alone. Women surveyed explained how these cuts had affected them:

- Over a third of women felt more cut off from their communities
- 28% felt less able to find a job
- 12% felt more cut off from their families
- 60% of women using local leisure centres and parks reported declining services and were worried about their own safety and that of their families
- 85% of women said cuts in street lighting would affect their night-time travel

Despite the marked impact of cuts on women, only 43 councils had conducted the equality impact assessments on cuts required under the Public Sector Equality Duty.

Since UNISON's 2014 report, the cuts have continued, with increasingly damaging impact on women. Spending on social care fell by 3% between 2010/11 and 2016/17, despite an increase of over 14% in the number of people aged over 65 in need of it and 1.4 million people with unmet care needs.²⁰ The devastating impact of social care cuts on women as unpaid carers, care workers and the main recipients of care is clear.

However, while rising demand and the drop in social care spending is having a very damaging impact on the amount and quality of care available and the pay and conditions of care workers, there was a massive 32.6% reduction in expenditure on all other council services in the same period. This is largely because social care now accounts for over 54% of all local authority spend – up from 45% in 2010/11. The National Audit Office has described this shift as “reducing services to a core offering centred on social care”.²¹

This is evident in the drastic reduction in expenditure on youth services (65%), planning services (53%), Sure Start (50%), housing (46%), highways and transport (37%) and cultural and related services (35%) between 2010/11 and 2016/17. In that period there was a 48% drop in the number of local authority subsidised bus services and more than 10% of libraries were closed – with many more now run largely by volunteers with declining new stock.²² 1000 Sure Start centres²³ and almost 350 playgrounds have closed since 2014.²⁴ Cuts to services for children and young people disproportionately impact women who still have the

¹⁹ Ibid.

²⁰ Age UK (9 July 2018) 'New analysis shows number of older people with unmet care needs soars to record high' (<https://bit.ly/2TXWTto>)

²¹ National Audit Office (March 2018) *Financial Sustainability of Local Authorities 2018* (<https://bit.ly/2oQ6wwl>)

²² Ibid.

²³ The Guardian (5 April 2018) '1,000 Sure Start children's centres may have shut since 2010' (<https://bit.ly/2Gz9PDb>)

²⁴ Local Gov (12 November 2018) 'Councils forced to close nearly 350 playgrounds in past four years' (<https://bit.ly/2FhclnC>)

primary responsibility for childcare in most households, even when they are employed outside of the home. Women are more likely than men to depend on local bus services²⁵ and women are more likely to use libraries.²⁶

Cuts to public health

Cuts have also affected public health budgets, impacting significantly on those preventive health services for women and children which are now delivered by local authorities. Councils are being forced by central government to make £800 million of public health cuts over the next six years, with £96.3 million removed from the public health budget in 2018/19 alone. This has resulted in budget cuts in 85% of the 152 councils with public health responsibilities in the current year. The result has been cuts in sexual health promotion (£17.6 million), substance misuse prevention (£34 million), children's services (£26 million), smoking cessation activities (£3.1 million) and obesity prevention (£1 million).

UNISON produced a further report on local government cuts in June 2018²⁷. Based on a survey of over 21,000 local authority employees, 'Councils at Breaking Point – The Human Cost of Council Cuts', showed that:

- 79% were not confident about the future of local services
- Only 14% were confident that vulnerable local residents are safe and cared for
- 67% did not think that local residents are receiving the help and support they need at the right time
- 58% did not feel that their council was delivering quality services
- 83% said that budget cuts in the past two years have had an impact on their ability to 'do the best job they can'.

Cuts to the voluntary sector

Voluntary sector services funded by councils have also been badly hit. The National Council for Voluntary Organisations (NCVO) has shown that over 50% of councils have made cuts to voluntary sector projects disproportionately greater than the overall cuts to their budgets.²⁸ Between 2010/11 and 2015/16 £802 million were cut from the voluntary sector by local government. This will have impacted particularly badly on projects for BME women and other discriminated-against groups, who are often reliant on the voluntary sector and charities for specialist services and support.

²⁵ WBG (2018) *Public Transport and Gender* (<https://bit.ly/2OM21lx>)

²⁶ The Conversation (14 March 2016) 'Hard Evidence: how many people actually use libraries?' (<https://bit.ly/1U0fdPF>)

²⁷ UNISON (June 2018) *Councils at Breaking Point* (<https://bit.ly/2BYZ7S2>)

²⁸ NCVO (17 February 2012) UK Civil Society Almanac 2012: How are public sector spending cuts affecting the voluntary sector? (<https://bit.ly/2VkuftS>)

Research by the Women’s Budget Group with the Women’s Resource Centre found that women’s voluntary organisations are facing a climate of cuts to funding, combined with an increase in demand for services as a result of austerity.²⁹

Many of the services dealing with violence against women and girls (VAWG) are reliant on local government funding. Yet while there were 1.2 million women in England and Wales suffering domestic abuse in 2017³⁰, more than 75% of England’s local authorities slashed their spending on domestic violence refuges – by nearly a quarter (24%) – between 2010 and 2017. The lack of refuge spaces saw more than 1,000 vulnerable women and children turned away from centres over a six-month period in 2017.³¹ 17% of specialist women’s refuges were forced to close between 2010 and 2014, and a third of all referrals to refuges are currently turned away. A survey by Women’s Aid revealed that 20.3% of refuges in its 2017 survey received 25% or less of their funding from councils and 12% received none at all.³²

BME projects tackling violence against women and girls have historically been less well funded by local government than generic VAWG projects. Imkaan, an organisation that supports BME organisations fighting gender-based violence, found that the combined income of 15 BME VAWG projects in London was less than that of the one main generic provider in the capital, despite the fact that 40% of London’s population is BME.³³ Across England, councils invested just £1.172 million across 24 BME projects tackling gender-based violence – less than 11% of total expenditure. Nonetheless, funding has been cut and services shifted to generic providers in some areas, undermining specialist provision for BME women.

Cuts to services for ‘disadvantaged’ groups

The New Policy Institute (NPI) has examined government funding and council spending on the following services for the working age ‘disadvantaged’, many of which are crucial for women.³⁴ The services examined by the NPI were: working age adult social care (including learning disability support, mental health support, physical, sensory and memory support, support for adult asylum seekers); children’s social care (including looked after children, youth justice, child asylum seekers); housing support (including temporary accommodation, Supporting People and other welfare services, homelessness prevention, housing support and discretionary payments); substance misuse support and local welfare assistance schemes.

²⁹ WBG and WRC (December 2018) *Life Changing and Life Saving: funding for the women’s sector* (<https://bit.ly/2PxV6YH>)

³⁰ House of Commons Library (21 November 2018) *Domestic Violence in England and Wales* (<https://bit.ly/2GR6nUI>)

³¹ Bureau of Investigative Journalism (October 2017) ‘Revealed: Thousands of vulnerable women turned away as refuge funding is cut’ (<https://bit.ly/2yPBRpV>)

³² Women’s Aid (2018) *Domestic abuse services* (<https://bit.ly/1S7NKri>)

³³ Imkaan (2016) *Capital Losses: The state of the BME ending violence against women and girls sector in London* (<https://goo.gl/rQmTpn>)

³⁴ New Policy Institute (September 2018) *A Quiet Crisis Local government spending on disadvantage in England* (<https://bit.ly/2H7Mvve>)

The £17 billion spent in 2016/17 by English councils on these services represented 26% of total spend, with the largest amount spent on working age adult social care – £9.6 billion – of which £5.4 billion (56%) was attributed to adults with learning disabilities. £4.4 billion was spent on children’s social care services and £0.9 billion on temporary accommodation. There was an overall cut of 2% in spending on ‘disadvantage’ services between 2011/12 and 2016/17. This was lower than the overall decline in council budgets, but was not evenly distributed. Children’s social care spending increased by 5%, compared to cuts of 2% in adult social care, 13% in housing services, 14% in youth justice and 59% in substance misuse.

NPI also concluded that “almost the entire burden of the reduction on spending on disadvantage is in the most deprived 20% of councils”. 97% of cuts in services to the most disadvantaged have been in the 40% most deprived councils, as these councils have faced the largest reductions to their spending power, affecting those women most under pressure. Almost half of these are unitary and metropolitan district councils in the North West, Teesside and the East Midlands and a further third are district councils in the North and the Midlands. The remainder are London boroughs. One third of the councils studied are in coastal districts. The majority are Labour councils. These findings are reinforced by earlier work by the Joseph Rowntree Foundation (JRF)³⁵. The way that councils have been forced – or have chosen – to implement cuts has varied, according to local political decisions and promises and local demand.

Cuts by type of authority

The National Audit Office (NAO) has shown that while average local government spend on services fell by 19.2% between 2010/11 and 2017/18, this reflected a range between 13.2% for county councils and shire districts (combined) and 25% for metropolitan districts.³⁶ In general, metropolitan districts and unitary councils represent poorer, hard-pressed urban communities which are more dependent on local services, and which are more likely to be Labour controlled and many of which are in the North of England. County councils, which are largely Conservative controlled, have fared better. This bias towards county councils is reflected in the Government’s proposed new funding formula for local authorities, which does not include deprivation levels and which has drawn widespread criticism from across local government. The Institute for Fiscal Studies commented that ‘The statistical analysis to justify not including deprivation in the funding formula for many key services does not stand up to full scrutiny’.³⁷

Overall the drop in spending on non-social care services was 32.6%, ranging from 25.3% in county councils and shire districts to 38% in metropolitan districts and unitary councils. On average, social care spending dropped by 3% but increased slightly in county councils/shire

³⁵ Joseph Rowntree Foundation (March 2015) *The Cost of the Cuts: The Impact on Local Government and Poorer Communities* (<https://bit.ly/1T6RyLZ>)

³⁶ National Audit Office (March 2018) *Financial Sustainability of Local Authorities 2018* (<https://bit.ly/2oQ6wwl>)

³⁷ Public Finance (25 February 2019) ‘Local government funding formula ‘must include deprivation levels’’ (<https://bit.ly/2EorBp0>)

districts, while falling by 10.4% and 9% in metropolitan districts and London boroughs, where expenditure on emergency housing services has been much higher than in other types of council. Women in urban areas are suffering most.

The impact of cuts on the local government workforce

78% of all council employees and 90% of teaching assistants and support staff in local authority schools are women. The impact of austerity and cuts on their employment, pay and conditions and workload has been dramatic. While the number of jobs in the NHS and central government has risen to a record high since 2010, local government employment has fallen to a record low.³⁸ Between June 2010 and 2016 there were 760,000 job losses in England and Wales (excluding teachers) as cuts bit hard.

Local government pay and conditions have also trailed behind most of the public sector since 2010 and for some years before that. There were eight years of real terms pay cuts between 2009 and 2017 – leading to an effective 21% pay cut³⁹. The Coalition government's public sector pay freeze was applied to local government workers for three years, starting in 2010, compared to two years elsewhere in the public sector, while they did not receive the £250 compensation payment for public sector workers earning less than £21,000 a year during the pay freeze. More than half of the local government workforce was disadvantaged by this.

However, a two-year pay deal covering 2018-20 for the majority of local government workers covered by the National Joint Council for Local Government Services (NJC) will deliver a starting pay rate of £9 per hour outside of London from 1 April 2019. For the first time in many years this will be a higher bottom rate than for police support staff, Agenda for Change workers in the NHS, probation support staff and the lowest paid in further and higher education.

There have also been widespread cuts across most councils to the conditions of service contained in the NJC 'Green Book' collective agreement, especially unsocial hours payments, car allowances and annual leave. This has had a very detrimental impact on women workers, especially those in care and other jobs in which unsocial hours are routinely worked. NJC conditions such as annual leave, maternity pay and car allowances were already less favourable than those in the NHS and most parts of the civil service. Some local authorities have also cut maternity pay and sick pay and imposed periods of unpaid leave. Unsurprisingly this has led to recruitment and retention problems in 71% of councils⁴⁰, with social workers, planners and other professional groups proving hard to

³⁸ Office for National Statistics (11 September 2018) *Public sector employment UK, June 2018* (<https://bit.ly/2zO1hn9>)

³⁹ UNISON, GMB and Unite (2018) 'Council and School Workers Deserve a Pay Rise!' (<https://bit.ly/2BXAfKB>)

⁴⁰ Local Government Association (2017) *Stats on the LG workforce* (<https://bit.ly/2EE1WtM>)

recruit.

Future changes to council funding

As austerity bites hard into local government services, the Government is also planning to change the system of funding in English councils. It plans to remove all central government grant funding by 2020, making local authorities reliant on local funding from Council Tax and Business Rates. Councils will be allowed to retain 75% of Business Rates from that date – a policy move with uncertain consequences, especially for councils with lower Business Rate raising potential. Those with the lowest receipts from business rates are likely to have the poorest populations and the highest social care demands. This may result in the poorest localities having to charge a higher rate of Council Tax, even though their residents can least afford this.⁴¹ There is also a complex ‘relief’ and appeals system and great pressure on the government from small businesses and the retail sector to reduce Business Rates, despite an increase in 2018/19.⁴²

Government measures to restrict Council Tax increases between 2011/12 and 2015/16 through a ‘freeze’ and council tax grant to local authorities dramatically reduced the amount of funding available to councils. In 2014/15 alone, the Chartered Institute of Public Finance and Accountancy (CIPFA) estimated that £2.8 billion had been taken out of local services by the Government’s policy of restricting Council Tax rates.⁴³ The policy, which had the effect of reducing the future base upon which government grant was assessed, generally received cross-party support.

In 2018/19 councils are prevented from raising Council Tax above 2.99% without holding a local referendum, although those with social care responsibilities can also raise a further 3% ‘precept’ to fund social care services. The LGA has criticised these measures as ‘woefully inadequate’⁴⁴ and has pointed out that they will raise only £250 million against a £6 billion cut from councils’ social care budgets since 2010. Analysis of data from 326 local authorities shows that the precept raises the least in those councils with the highest concentration of older people and unpaid carers. In East Lindsey, where 30% of people are aged over 65, the 2% increase in council tax raises just £30 per older person per year. However, in Richmond upon Thames where just 15% fall into the over 65 age range, 2% raises an additional £95 per older person per year.⁴⁵

⁴¹ Communities and Local Government Select Committee (27 March 2017) *Adult Social Care* (<http://bit.ly/2jsjaCa>)

⁴² Ministry of Housing, Communities and Local Government (1 March 2018) *National non-domestic rates to be collected by local authorities in England 2018-19 (revised)* (<https://bit.ly/2IH3Xt5>)

⁴³ Public Finance (4 March 2015) ‘Council tax freeze takes £2.8bn out of budgets, CIPFA finds’ (<https://bit.ly/2VgJRVk>)

⁴⁴ The Guardian (19 December 2017) ‘Council tax bills could rise by £100 a year as government relaxes cap’ (<https://bit.ly/2EhMrGu>)

⁴⁵ ILC-UK (2015) *The end of formal adult social care: A provocation by the ILC-UK*, Report for Centre for Later Life Funding (<https://bit.ly/2Vni20c>)

Meanwhile a 'Fair Funding Review', looking at relative needs and distribution of existing resources across councils, is taking place, without promise of an increase in the overall level of funding for local government.

With the Spring Statement imminent, the Government will need to fundamentally review its approach to funding local government and the levels of central Government support, if the local infrastructure so vital to women and those who depend on them is not to be reduced to a level which is very harmful in both the short and long term.

Recommendations

- Local government funding needs to be urgently restored to a level which enables councils to meet their statutory obligations and also provide the preventive, non-statutory services which are vital to the wellbeing of women, children and those in need of care
- Adequate funding should come from taxation/central government, at least at the same level as for other public services
- The Government should carry out meaningful impact assessments of any proposed changes to local government funding as recommended by Juan Pablo Bohoslavsky, UN Independent Expert on Foreign Debt, in his report last year on the impact of austerity on women's human rights
- Equality impact assessments of local government funding levels and proposed cuts should be carried out by central Government and local authorities
- The Fair Funding Review should look at the overall resources provided and available to councils, not simply re-distribution of the current 'pot'
- The distribution of central Government funding should ensure that the most deprived council areas are properly funded to reflect the greater reliance of poorer people and women on local services. Deprivation levels should be included in the local authority funding formula
- The shift to dependence on Business Rates and Council Tax should be reviewed
- Funding to meet all current social care needs should be made available from taxation, on the same basis as the NHS
- Decent pay and conditions for local government workers should be ensured through adequate funding to councils and adherence to the NJC Green Book collective agreement

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WBG is an independent, voluntary organisation made up of individuals from Academia, NGOs and trade unions. See www.wbg.org.uk

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