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# Women and the Spending Review

*A briefing from the UK Women's Budget Group  
on the key policy priorities from the Women and  
Equalities sector*

**April 2019**

## Women and the 2019 Spending Review

The Chancellor has promised that 'austerity is coming to an end'. The 2019 Spending review is a significant test of what that promise will mean in real terms, particularly for women who have borne the brunt of austerity policies since 2010.

Women have been disproportionately impacted by changes to taxes, benefits and public spending, with BAME women and disabled women hardest hit.<sup>1</sup> This is the result of structural inequalities which mean women earn less, own less and have more responsibility for unpaid care and domestic work.<sup>2</sup>

Some of the **key policy areas affecting women** are:

- **Public services, including health, education and care services, which are under increasing strain after two previous rounds of spending reductions.** Women are more likely than men to need public services, more likely to work in the public sector and more likely to have to increase their unpaid work when services are cut.
- The majority of public services are provided by local councils, but over the past 8 years **local councils have seen a reduction of up to 49% in their central government funding.** Women and children bear the brunt of these cuts as they are more likely to work for councils and to need a range of council provided services, including social care, transport and housing, directly for themselves or indirectly for others for whom they care. These services are vital in affording women the opportunity to participate fully in the economy.
- **Social care is widely recognised to be in crisis.** The majority of the care workforce, paid and unpaid, are women and the majority of those in need of care are women.
- **Cuts to social security since 2010 will have cost £39 billion per year by 2021.** These cuts affect women more than men because of their generally lower incomes and greater caring responsibilities.
- **Austerity measures have reduced funding available for women's organisations.** At the same time cuts to statutory services and social security have increased the demand on the voluntary sector.

The Spending Review presents a critical opportunity for the Government to reverse its disastrous austerity programme. This briefing will address some of the key policy issues affecting women and highlights changes which we would like to see in the 2019 Spending Review. It starts with some over-arching issues before going on to discuss policy issues in more detail.

### The Spending Review at a glance

Spending reviews take place every two to five years. They set departmental budgets for three to five years ahead, and shape the scale and nature of public service programmes and public investment.

<sup>1</sup> WBG and Runnymede Trust (October 2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>) & WBG (2018) *Disabled Women and Austerity* (<https://bit.ly/2GPTYiE>)

<sup>2</sup> See WBG Budget analysis available online: <https://bit.ly/2tq3LE5>

More than that, by setting out the Government's spending plans the spending review demonstrates central Government priorities for the period they cover.

Spending reviews are focused on the part of public spending known as Departmental Expenditure Limits (DELs). This is the spending allocated to and spent by departments.

More than half of public spending – notably pensions, other social security benefits and debt interest, known as Annually Managed Expenditure (AME) – is not formally planned through the spending review process. However, changes to AME are often considered as part of the spending review process, if departments argue that savings from AME could be made to allow for more DEL spending. This means AME measures – including changes to social security policies – are sometimes included in spending review calculations.

**The 2019 Spending Review** is expected to announce new spending plans for public services and investment. These will need to cover, at least, the 2020/21 financial year, for which there are currently no plans in place. On the normal pattern of the past 20 years, the review should extend over at least the two following financial years as well. However, as a result of continued uncertainty over Brexit it is possible that the spending review will only cover a shorter period.

### What does 'the end of austerity mean?'

After nearly a decade of chronic underfunding, our public services are in crisis. An increasingly penurious welfare system is failing the most vulnerable in society<sup>3</sup>, and severe cuts to local council funding and funding for other public services have led to the steady deterioration of our social infrastructure.<sup>4</sup> An end to austerity will have to mean more than simply an end to budget cuts. For 'just about managing' families, continuing as they are for the next few years certainly won't feel much like the end of austerity. People on the ground need to see a marked improvement in public services and a rise in living standards more generally, if the Chancellor's promise is going to ring true.

Ending the cuts tomorrow would still leave day-to-day spending levels 8% lower than in 2009/10, and 19% lower when the additional funding for health (announced in the 2018 Autumn Budget) is taken out.<sup>5</sup> A generous programme of investment to actively *reverse* the cuts and return spending to pre-2010 levels is desperately needed. In many cases, (for example social care), spending will need to be higher than pre-2010 levels, when it was arguably already inadequate. Business-as-usual policies will not do. Instead, a significant public investment boost could have positive effects on economic growth and debt reduction.<sup>6</sup>

### Cross-departmental planning

Many of the issues affecting women's lives stretch across different government departments (such as those relating to health and social care, Brexit or violence against women and girls). Similarly,

<sup>3</sup> The Guardian (25 December 2018) 'How the welfare state is failing the vulnerable' (<https://bit.ly/2R2TkV3>)

<sup>4</sup> WBG (22 November 2018) 'Going, going, gone: The unrelenting destruction of our social infrastructure' (<https://bit.ly/2TAMeVJ>)

<sup>5</sup> IFS (2018) Opening remarks to post-Budget 2018 analysis (<http://bit.ly/2JGttLW>)

<sup>6</sup> ITUC & WBG (March 2016) *Investing in the Care Economy: A gender analysis of employment stimulus in seven OECD countries* (<https://bit.ly/2SO4Cxa>)

while government departments are responsible for specific areas of policy, action taken by one department can impact upon others. Cuts to spending on social care has increased pressures on the NHS. Cuts to funding for NHS mental health services may increase pressure on other public services such as the police<sup>7</sup>, and so savings made by one department are often offset by increased costs elsewhere.

When it comes to setting funding and policy priorities, it would make sense then for these to stretch across government departments as well. Problems need to be tackled holistically, particularly when attempting to put preventative measures in place. As it stands, the current Spending Review process largely discourages departments from working together, preventing them from being able to look at spending overall and find the best opportunities for greater synergies.<sup>8</sup>

We support the recommendation made in the recent Institute for Government report; that the Treasury “look beyond individual departments and use the review as a chance to solve problems that extend across departmental boundaries”.<sup>9</sup> A focus on high-level strategy – aimed at identifying opportunities for departments to work together or share resources – should be fully reflected in decisions across government. Brexit is just one of the areas that would benefit from this approach. The UK’s ageing population is another; as might the forthcoming changes in local government finance.

## Investment in infrastructure

The Women’s Budget Group recognises the need for infrastructure investment in helping ‘to deliver a stronger economy and a fairer society’.<sup>10</sup> However, the Government’s conception of infrastructure is a narrow one, focusing almost entirely on physical infrastructure such as roads, bridges and telecommunications. Alongside this, society and the economy also depends on its social infrastructure – such as health, education and care services – to provide a well-educated, healthy and well-cared for population. Investment in infrastructure should include both the social and physical infrastructure on which the economy relies.

Importantly, investment in social infrastructure builds the social and human capital that is just as important to future productivity as investment in say, transportation networks. Like roads, for example, high quality childcare helps parents get to work and like investing in skills, it enables parents to take jobs where they can be more productive as well as improving children’s educational outcomes and therefore national productivity in the long-run. In this way, social infrastructure has effects that outlast the current accounting period and should therefore be counted as capital rather than current spending.

It was refreshing to hear Chief Secretary to the Treasury, Liz Truss MP, refer to the importance of investing in – what she termed – the ‘Universal Basic Infrastructure of life’ in a recent speech on the

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<sup>7</sup> The Guardian (27 January 2016) ‘Mental health crisis takes huge and increasing share of police time’ (<https://bit.ly/2V0WTZM>)

<sup>8</sup> Institute for Government (2018) *The 2019 Spending Review: How to run it well* (<https://bit.ly/2p2pEHp>)

<sup>9</sup> Institute for Government (2018) *The 2019 Spending Review: How to run it well* (<https://bit.ly/2p2pEHp>)

<sup>10</sup> WBG (19 April 2017) ‘Submission to Government’s Industrial Strategy Consultation’ (<https://bit.ly/2DRUp90>)

Spending Review<sup>11</sup> - citing improving local transport links, access to education, and reforming the planning system as key priorities. With continued low growth projections, and on-going uncertainty over Brexit, the Chancellor should take this opportunity to invest in social infrastructure, particularly the care sector, which would not only address the urgent crisis in care but also boost employment, far more than equivalent investment in physical infrastructure.<sup>12</sup> It would also reduce gender inequalities in employment which construction investment would worsen unless mitigating measures about gender industrial segregation are put in place.

## Equality Impact Assessments

Under the Public Sector Equality Duty (PSED) all public bodies, including the Treasury, are obliged to have 'due regard' to the impact of their policies on equality. The main way in which most public bodies do this is through carrying out Equality Impact Assessments (EIAs).

The Women's Budget Group has long called for the Treasury to carry out meaningful gender and other equality impact assessments of all spending and taxation decisions as part of a cumulative impact assessment.<sup>13</sup> This would show the combined impact of a series of decisions across different areas of policy, as demonstrated in our research with the Runnymede Trust into austerity policies since 2010. Unfortunately the Treasury has repeatedly failed to do this. Other government departments and public bodies also fail to carry out EIAs systematically or robustly enough to appropriately inform policy decisions. All too often, EIAs are just tick-box exercises conducted *after* decisions or changes have already been made.

Both the Women and Equalities Select Committee<sup>14</sup> and, more recently, the Treasury Select Committee,<sup>15</sup> have recommended that the Government do more to demonstrate it has fulfilled its obligations to assess the equalities impacts of the Budget and financial statements.

Without an impact assessment, policy makers cannot tell whether policies on tax, benefits or spending on public services will improve equality or worsen the situation of those already at an economic disadvantage. It is particularly important that the Spending Review as a whole is assessed for its equality impact, in addition to any assessments of the spending plans of individual departments. The Treasury should carry out this work as part of the spending review process.

## Brexit

The context in which this year's Spending Review will take place is a challenging one. With the Brexit deadline now extended, the future of the country's relationship with the EU is still unclear. We must not let this parliamentary deadlock prevent government action to end austerity, or the Government's duty to pay due regard to the impact of their policies on equality.

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<sup>11</sup> Liz Truss MP (19 March 2019) 'What should the Spending Review focus on?': speech by the Chief Secretary to the Treasury' (<https://bit.ly/2lRaWOo>)

<sup>12</sup> ITUC & WBG (March 2016) *Investing in the Care Economy: A gender analysis of employment stimulus in seven OECD countries* (<https://bit.ly/2SO4Cxx>)

<sup>13</sup> See WBG Budget analysis available online: <https://bit.ly/2tq3LE5>

<sup>14</sup> UK Parliament (18 November 2016) 'More transparency needed from HM Treasury on equality analysis' (<https://bit.ly/2GJ0iYY>)

<sup>15</sup> Treasury Select Committee (12 February 2019) *Budget 2018* (<https://bit.ly/2SPyWac>)

In the last year there have been two reports from UN experts highlighting the devastating impact austerity is having on women's human rights.<sup>16</sup> Evidence suggests that Brexit – in any form – will have a damaging impact on the UK economy.<sup>17</sup> If the Government responds to an economic crisis caused by Brexit in the same way as it did to the financial crisis this will lead to further austerity, which will continue to disproportionately affect women. If it responds by stimulating the economy through additional spending, it is important that the gender impact of such spending be assessed *ex ante* and it used to reduce gender and other inequalities.

You can read our report 'Exploring the economic impact of Brexit on women' via the WBG website.<sup>18</sup>

## Key policy issues

Not all of these are policy areas traditionally dealt with by the Spending Review, however since spending decisions about AME are taken into account as part of the spending review, we have included them here.

### **Funding for local government**

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. Central government funding for local authorities fell by over 49% between 2010/11 and 2017/18<sup>19</sup> with councils in the most deprived areas suffering the greatest cuts.<sup>20</sup> This reduction is forecast to rise to 56% by 2019/20.<sup>21</sup> The impact of these cuts 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 users.

As well as affecting the ability of local councils to provide services and support to women, these drastic funding reductions 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. For instance, social care now accounts for over 54% of all local authority spend – up from 45% in 2010/11.<sup>22</sup> This means cuts have continually been made elsewhere which according to the Local Government Association are “threatening the future of other vital council services such as parks, leisure centres and libraries, which help to keep people well and from needing care and support and hospital treatment”.<sup>23</sup>

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<sup>16</sup> United Nations General Assembly 73<sup>rd</sup> Session (18 July 2018) *Effects of foreign debt and other related financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights* (<https://bit.ly/2QQnxSW>) & United Nations Human Rights Office of the High Commissioner (16 November 2016) *Statement on Visit to the United Kingdom, by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights* (<https://bit.ly/2N4JU00>)

<sup>17</sup> WBG (March 2018) *Exploring the Economic Impact of Brexit on Women* (<https://bit.ly/2AOhklr>)

<sup>18</sup> WBG (March 2018) *Exploring the economic impact of Brexit on women* (<https://bit.ly/2OKpHpO>)

<sup>19</sup> WBG (March 2019) *Triple whammy: The impact of local government cuts on women* (<https://bit.ly/2GWnRP4>)

<sup>20</sup> WBG and Runnymede Trust (October 2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

<sup>21</sup> WBG (March 2019) *Triple whammy: The impact of local government cuts on women* (<https://bit.ly/2GWnRP4>)

<sup>22</sup> National Audit Office (March 2018) *Financial Sustainability of Local Authorities 2018* (<https://bit.ly/2oQ6wwl>)

<sup>23</sup> Local Government Association (September 2018) *Moving the conversation on: LGA Autumn Budget Submission to HM Treasury* (<https://bit.ly/2lv7kij>)

For women's organisations, cuts in local budgets have had two simultaneous consequences, namely reduced funding and increased demand. A consequence of the cuts has been the closure of many small local women's organisations, particularly organisations specialised in supporting black and minoritised women,<sup>24</sup> disabled women and lesbian women.

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.<sup>25</sup> More than three quarters of council and school employees are women.

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 to meet the need for local services.<sup>26</sup>

*You can read our report 'Triple whammy: The impact of local government cuts on women' via the WBG website.<sup>27</sup>*

### **Adult social care**

Successive governments' failure to fund, and plan for, rising care needs adequately has pushed adult social care to breaking point. It is estimated that £1.5bn will be needed in 2020/21 and £6.1bn by 2030/31<sup>28</sup> just to return to the spending levels of 2015/2016 which were already inadequate. Women bear the brunt of the care crisis, as the majority of both formal and informal care workers, and those in need of care.

With adult social care primarily funded through local government, a reduction of £6bn in social care budgets between 2010 and 2017 has hit provision hard. The 2-3 percentage points increase in council tax local authorities are now allowed to raise to pay for social care, and additional £2 billion in the 2018 Autumn Budget, do not compensate for this. Further, funding social care through council tax or local business rates will deepen regional inequalities as the local authorities with the greatest demand for services are those that are able to raise the least through local taxation.

Local authorities have sought to protect social care budgets and relieve funding pressures through local efficiency initiatives and cuts to other service budgets. However, as the scope for savings reduces, local authorities are having to manage social care funding pressures by other means, including service reductions, smaller care packages, stricter eligibility criteria, and reducing the prices paid to providers. It is now estimated that approximately 1.4m people have unmet care needs<sup>29</sup>, an increase of 48% since 2010.

In 2016 Greater Manchester took control of its Social Care budget via a historic devolution deal with the Government. They have used this devolved power to introduce a new 'whole system' approach

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<sup>24</sup> Imkaan (2016) *Capital losses: The state of the specialist BME ending violence against women and girls sector in London* (<http://bit.ly/2N5Pwvs>)

<sup>25</sup> Office for National Statistics (11 September 2018) *Public sector employment UK: June 2018* (<https://bit.ly/2zO1hn9>)

<sup>26</sup> See WBG report for further discussion and recommendations: WBG (March 2019) *Triple whammy: The impact of local government cuts on women* (<https://bit.ly/2GWnRP4>)

<sup>27</sup> WBG (March 2019) *Triple whammy: The impact of local government cuts on women* (<https://bit.ly/2GWnRP4>)

<sup>28</sup> WBG (November 2018) *Social Care: A system in crisis* (<https://bit.ly/2SfqCgY>)

<sup>29</sup> Age UK (9 July 2018) 'New analysis shows number of older people with unmet care needs soars to record high' (<https://bit.ly/2TXWTto>)

which addresses the link between health and standard of living. As well as joining up health and social care services in the wider community and investing in the right specialist care, they are also taking steps to prevent illness altogether by tackling factors such as eating habits and exercise, education and people's ability to earn a decent living. Evidence suggests their changes are already starting to make a difference.<sup>30</sup>

There are certainly lessons to be learned from Greater Manchester, particularly around improving the quality of commissioning and in relation to the delivery of joined-up services, which could help to save money in the long-term. Adult social care presents one of the most pressing issues that would benefit from cross-departmental planning. However, as part of the devolution deal Greater Manchester also received additional funding to the tune of £450m to support 'service transformation', and so are making faster progress than other areas. Whilst there is scope for money to be spent more efficiently, there is also the ongoing need for adequate funding for services full-stop. It is essential that dedicated funding is made available to all parts of the country to accelerate the implementation and uptake of new care models.

We call on the government to redress the crisis in adult social care by establishing a National Care Service that provides care free at the point of delivery and has equal standing to the NHS. It is also imperative that funding to local councils, including ring-fenced funding for health and social care, is reinstated to pre-2010 level, as a minimum.

*You can read our policy briefing on social care via the WBG website.<sup>31</sup>*

### **Funding for VAWG services**

Violence against women and girls (VAWG) remains one of the gravest forms of inequality. It has multiple and lasting impacts on victims as well as society as a whole. While the Government's own VAWG Strategy recognises the scale of the problem, this is not backed by enough funding for either victims' services or preventive interventions to reduce the incidence of VAWG in the longer term.

The Government initially committed £80m to supporting the VAWG strategy, with an additional £20m announced for domestic violence services in the 2017 Spring Budget – a total of £100m over the life of the parliament, that is £20m per year over five years. However, this does not compensate for the cuts to funding for local government, which provide a significant proportion of funding for VAWG support. Moreover, this additional annual spending is dwarfed by the Government's own estimation of the cost of VAWG. Their recent draft Domestic Abuse Bill estimates the economic and social costs of domestic abuse to society to be £66 billion annually.<sup>32</sup> It is clear that the current piecemeal approach to funding for domestic abuse and VAWG services more generally is not working and is not cost effective.

End Violence Against Women (EVAW) have estimated<sup>33</sup> that to meet the provision requirements for rape crisis centres laid out in the Istanbul Convention<sup>34</sup>, the Government needs to invest a minimum

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<sup>30</sup> Greater Manchester Health and Social Care Partnership (2018) *The Devolution Difference* (<https://bit.ly/2Sa6MCK>)

<sup>31</sup> WBG (November 2018) *Social Care: A system in crisis* (<https://bit.ly/2SfqCgY>)

<sup>32</sup> UK Government (January 2019) *Transforming the Response to Domestic Abuse: Consultation Response and Draft Bill* (<https://bit.ly/2sH4Al5>)

<sup>33</sup> EVAW (8 March 2019) 'No more survivors turned away' (<https://bit.ly/2W3P1aL>)

<sup>34</sup> Council of Europe (2011) *Council of Europe Convention on preventing and combating violence against women and domestic violence* (<https://bit.ly/2C59X7W>)

of £195 million into specialist independent, community-based services. A significant proportion of this would need to be ring fenced for specialist BME services which provide unique, tailored support for women who may face additional barriers to seeking other forms of help.<sup>35</sup> The overall income of the rape crisis network as it stands is £20 million.

We are calling on the Government to put in place ongoing funding for VAWG services that is adequate to meeting the needs of victims and allows for additional investment in preventive measures, such as Sex and Relationships Education in schools. Further, as funding for sexual violence and abuse services is increasingly devolved to a local level, it is also imperative that the Government takes strategic oversight of the implementation of national frameworks and commissioning standards, along with continuing to provide ring-fenced funds for this area at a national level.

Sustainable and long-term resourcing needs to be provided, so that services can grow and develop in order to meet need, rather than a hand to mouth existence facing uncertainty each financial year.

*You can read our policy briefing on violence against women and girls via the WBG website.*<sup>36</sup>

### **Parental Leave**

The birth of a first child is a pivotal moment in how couples organise responsibility for childcare throughout their lives and is foundational in forming and perpetuating gender inequality.<sup>37</sup> UK maternity, paternity and parental leave policy design is based on an out-of-date model that does not encourage sharing of care between parents. Instead, a number of incentives and defaults preserve the status quo where women undertake the majority of unpaid care.

Coverage and eligibility for maternity and paternity leave is a key issue. For example, 28% of women and men in employment do not have access to paid paternity or maternity leave due to either their employment status and/or length of service.<sup>38</sup> With increasing casualisation of working arrangements, there are fears this number will rise and particularly impact some of the most vulnerable workers. Restrictions on entitlement to Statutory Maternity Pay (SMP), Paternity Pay and Shared Parental Pay limit productivity and cause hardship. By default, they should be day one rights.

Additionally, statutory maternity and paternity pay rates are, in relative terms, among the lowest in Europe. The low rate of replacement pay for paternity leave interacts with the gender pay gap, providing significant barriers to fathers using more leave. The Government should look to increase all statutory payment rates to ensure families can afford to meaningfully share caring responsibility.

The introduction of Shared Parental Leave has been an important step forward, but take-up appears to be low. Introducing an individual, non-transferable fathers' or partners' only portion of leave which is not based on the eligibility status of the mother would also ensure greater coverage and, if

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<sup>35</sup> APPG on Sexual Violence (December 2018) Report into the Funding and Commissioning of Sexual Violence and Abuse Services 2018 (<https://bit.ly/2ULVuqm>)

This calculation is based on the recommended amount of Rape Crisis centres that should exist in England and Wales as set out in the Explanatory Note of the Istanbul Convention – one centre per 200,000 women. This means there should be 150 centres, versus the current 44. A centre providing support to this population size would require a minimum annual income of £1.3 million.

<sup>36</sup> WBG (October 2018) *Violence Against Women and Girls* (<https://bit.ly/2CN77qF>)

<sup>37</sup> European Sociological Review (2002) *Gender Division of Childcare and the Sharing of Parental Leave among New Parents in Sweden* (<https://bit.ly/2GBLyKY>)

<sup>38</sup> University College London (2018) *Inequalities in Access to Paid Maternity & Paternity Leave & Flexible Work* (<https://bit.ly/2UA0cqa>)

combined with a period of higher, earnings-related, pay, promote more gender equal caring.<sup>39</sup> Mirroring recommendations made by the Fawcett Society,<sup>40</sup> we suggest a comprehensive review of parental leave policy is conducted to ensure that it is structured to presume equal responsibility for the care of children.

*You can read our policy briefing on maternity, paternity and parental leave via the WBG website.*<sup>41</sup>

### **Legal aid**

By 2019-20 the Ministry of Justice will have seen cuts to its overall budget of 40% – among the deepest of any government department.<sup>42</sup> In addition to these cuts, the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO) dramatically reduced access to civil legal aid for individuals by removing many areas of law from the scope of legal aid funding including; housing, social security, employment, debt and private family law. In the five years following LASPO, spending on legal aid shrunk by nearly £1bn, a 38% reduction

The recent announcement by the Ministry of Justice to improve early advice for social welfare claimants and spend an extra £6.5m<sup>43</sup> goes nowhere near far enough to address the damage caused to the UK's Justice system. Women are more likely than men to be affected by these cuts and changes. In 2010 women made 62.2% of the applications for civil legal aid. The Government's own impact assessment into the cuts found that women made up 65% of those who will no longer receive legal aid for family law cases; 60% of those in housing cases; and 73% of those in education cases (often bringing a case on behalf of a child).<sup>44</sup> The number of social security cases receiving legal aid plummeted from 83,000 in 2013 to 440 in 2017<sup>45</sup> – that's a 99% reduction. Women's greater reliance on the state for some or all of their income means they will undoubtedly feel these cuts the most.

The ability of domestic abuse survivors to obtain safety and justice is also threatened by changes enacted under LASPO. Strict "evidential" eligibility requirements and a slew of conditions attached puts onerous obstacles in the way of the poorest and most vulnerable survivors. Research carried out by Rights of Women, Women's Aid and Women's Aid Wales a year after LASPO was introduced found that 43% of survivors reported not having the prescribed documentation required to successfully apply for legal aid – meaning they couldn't even get to the first stage of meeting with a solicitor.<sup>46</sup>

An "exceptional funding" scheme was launched for people who are ineligible for legal aid following the changes. However, the scheme has come in for considerable criticism because the application process is extremely complex and there has been a miniscule success rate of applications.<sup>47</sup>

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<sup>39</sup> WBG (October 2018) *Maternity, Paternity and Parental Leave* (<https://bit.ly/2Gt2ylz>)

<sup>40</sup> The Fawcett Society (January 2018) *Sex Discrimination Law Review* (<https://bit.ly/2n68HKU>)

<sup>41</sup> WBG (October 2018) *Maternity, Paternity and Parental Leave* (<https://bit.ly/2Gt2ylz>)

<sup>42</sup> IFS (02 May 2017) *Two parliaments of pain: the UK public finances 2010 to 2017* (<https://bit.ly/2oXGFVv>)

<sup>43</sup> The Guardian (7 February 2019) 'Ministers' £6.5m for legal aid a drop in the ocean, say lawyers' (<https://bit.ly/2BCAqe4>)

<sup>44</sup> Ministry of Justice (2010) *Equality Impact Assessment. Legal Aid Reform: Scope Changes* (<https://bit.ly/2Se0Tnl>)

<sup>45</sup> The Guardian (26 December 2018) 'Strain of legal aid cuts shows in family, housing and immigration courts' (<https://bit.ly/2GGHLHPo>)

<sup>46</sup> Rights of Women, Women's Aid and Women's Aid Wales (2014) *Evidencing domestic violence: nearly 3 years on* (<https://bit.ly/2DV5Z38>)

<sup>47</sup> Rights of Women (2019) *Accessible or beyond reach?: Navigating the Exceptional Case Funding Scheme without a lawyer* (<https://bit.ly/2BwTN8n>)

Additionally, despite claims that the cuts would produce ‘significant savings’ and ‘produce better overall value for money’, lawyers and justice organisations say it has simply shifted the burden of cost onto the courts, NHS and social care<sup>48</sup> – ultimately costing the state more.

A justice system underpinned by legal aid is an important part of our social protection system ensuring that people can enforce their legal rights in practice. We call for the funding cuts to the Ministry of Justice to be reversed and for the UK Government to urgently review the legal aid regulations to ensure that they match women’s lived experience and afford them the protection that was intended.

## **Childcare**

The childcare system in England is not fit for purpose and is failing to meet the needs of children, parents and the economy. Policy under successive governments has not addressed the fundamental supply, affordability and quality issues in the childcare sector.

The increase in the free entitlement to 30 hours for working parents and the introduction of ‘tax-free’ childcare (both in 2017) excludes children from the most disadvantaged households. These regressive changes, with increased support going to better-off households, are likely to result in the widening of the achievement gap. Support for childcare costs in Universal Credit will benefit only some parents, leaving many with poor work incentives.<sup>49</sup> Moreover, any support under UC does not compensate for increasing childcare costs and a lack of adequate supply.

Only half of local authorities in England have enough childcare for parents who work full-time.<sup>50</sup> This can hamper women’s ability to participate in the labour market and establish financial security. Additionally, the lack of flexibility in available childcare means limited access for those who work unsocial hours or need after school care.

Childcare workers – 98% of whom are women – are also largely low paid and unable to gain adequate qualifications, whilst their employers struggle to run a profitable business. Urgent action is required to overhaul the childcare system. This requires adequate funding for providers, as well as better training for the workforce and increased support in the social security system for second earners.

In the medium-long term, the Women’s Budget Group advocates for free universal provision of high-quality early education and childcare for all pre-school children in the UK delivered by well qualified staff. Modelling of the employment and fiscal impacts of such a system shows that while the upfront investment is significant, the majority of this is recouped through higher tax revenue and reduced spending on means-tested benefits.<sup>51</sup> If implemented, this would have long-term benefits for children, their parents, and for the economy.

*You can read our policy briefing on childcare via the WBG website.<sup>52</sup>*

## **Health**

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<sup>48</sup> BBC News (10 December 2018) ‘Legal aid advice network ‘decimated’ by funding cuts’ (<https://bbc.in/2SFovCp>)

<sup>49</sup> WBG (June 2018) *Universal Credit and Financial Abuse: Exploring the links* (<https://bit.ly/2T99Xi4>)

<sup>50</sup> Family and Childcare Trust (2018) *Childcare survey 2018* (<https://bit.ly/2BWFw63>)

<sup>51</sup> WBG (2017) ‘Costing and funding free universal childcare of high quality’ (<https://bit.ly/2BJ4DZ8>)

<sup>52</sup> WBG (October 2018) *Childcare* (<https://bit.ly/2qviLyT>)

Over the last decade health services have seen some of the lowest spending increases in their history. In June 2018, the government announced an additional £20bn in real terms for the NHS in England in the five years to 2023/24.

While the amounts proposed in June 2018 are significantly higher than funding increases over the past eight years, this is still below the historical 3.7% average annual rise that the NHS has seen since 1948.<sup>53</sup> It is also below the 4% annual increase that the Kings Fund and others have argued is the minimum required to keep pace with rising demand for services, provide some investment in key priorities such as mental health, cancer and general practice and continue the transformation of services set out in the NHS five year forward view.<sup>54</sup> The pressure on NHS services affects women disproportionately: women made up 55.2% of hospital admissions in 2015-16, and 77% of the NHS workforce are women. In addition, women bear the brunt of the additional burdens of looking after family members who need ongoing or immediate health care, and also of organising their access to an ever more difficult NHS system. This has had a number of profound effects, including on life expectancy. Recent data shows that more older people, particularly older women, are dying than expected given historical trends.<sup>55</sup>

BAME women are in many instances harder hit because their health issues and experiences of health care differ from those of non-BAME women and of all men.<sup>56</sup>

The Government should ensure that funding for the NHS is sufficient to improve services including investing in training and adequate salaries for staff.

*You can read our policy briefing on health via the WBG website.<sup>57</sup>*

## **Mental Health**

Historically, mental health has been 'chronically underfunded', accounting for 28% of the burden of disease in the UK but only 13% of the total budget allocated by Clinical Commissioning Groups (CCGs).<sup>58</sup> According to a 2016 report by the National Audit Office, just 25% of people needing mental health services had access to them.<sup>59</sup>

Additionally, because mental health funding has not generally been ring-fenced, it has been easy to divert for other purposes other than mental health. For example, the King's Fund has suggested that mental health funding may have been diverted to pay off large deficits in the acute sector.<sup>60</sup>

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<sup>53</sup> Institute for Fiscal Studies (June 2018) 'What does the NHS funding announcement mean for health spending in England?' (<https://bit.ly/2CEPmKQ>)

<sup>54</sup> The Kings Fund (6 June 2018) 'An open letter: a long-term funding settlement for the NHS' (<https://bit.ly/2ucu80v>)

<sup>55</sup> The Kings Fund (29 November 2017) 'Why have improvements in mortality slowed down?' (<https://bit.ly/2Pul6UP>)

<sup>56</sup> WBG and Runnymede Trust (October 2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

<sup>57</sup> WBG (October 2018) *Health and Gender* (<https://bit.ly/2OxG8q6>)

<sup>58</sup> British Medical Association (2018) *Lost in transit? Funding for mental health services in England* (<https://bit.ly/2EcUAPq>)

<sup>59</sup> NHS Providers (2016) *The State of the NHS Provider Sector* (<http://bit.ly/2iosQtS>)

<sup>60</sup> Kings Fund (14 October 2016) *Trust finances raise concerns about the future of the Mental Health Taskforce recommendations* (<https://bit.ly/2Hx3f0c>)

In England, women are more likely than men to have a common mental health problem and are almost twice as likely to be diagnosed with anxiety disorders. Additionally, three quarters of people who care for a person with a mental health problem are women.<sup>61</sup>

During pregnancy or in the first year after childbirth, one in five mothers experiences a mental health problem.<sup>62</sup> Furthermore, suicide is the leading cause of death for women during this period. Despite the high prevalence rate of perinatal mental health problems, the provision of perinatal services has been poor. In 2014, fewer than 15% of CCGs provided services at the recommended level and around 40% of CCGs provided no service at all.<sup>63</sup> As a result of ring-fenced funding commitments, tangible improvements to the provision of perinatal mental health services in England have been realised, though service provision remains far from optimal.

There is also an emerging crisis in mental health among young women and girls. Girls are considerably more likely to self-harm than boys (37.4 per 10,000 compared with 12.3) and there has been a marked increase in self-harming in girls, particularly in girls aged 13-16 where the incidence of self-harming increased by 68% between 2011 and 2014.

Right now, Child and Adolescent Mental Health Services (CAMHS) are overstretched and underfunded, which can lead to long waiting times and such high thresholds for treatment that even young people who are self-harming or suicidal can't always get the right support. In 2015, the Government committed to an extra £1.4 billion to CAMHS over five years, but analysis by Young Minds found that in 2017/18, 43% of CCGs had increased their CAMHS budgets by less than the extra money they had been allocated for children's mental health.<sup>64</sup> This supports the concern that the additional funding is not reaching frontline services,<sup>65</sup> instead being spent on other priorities.

Any additional funding for health must lead to a new, improved funding settlement for CAMHS and mental health services more generally. But we also need greater transparency and accountability to ensure that all money for mental health services is spent where it's intended.

In addition, we need to address the black hole in practical mental health support in the community, the results of years of cuts to wider local authority services. Only by creating a new era for mental health funding, ensuring that we focus on prevention and early intervention, can we hope to end the crisis.

*You can read our policy briefing on health via the WBG website.*<sup>66</sup>

## **Social Security**

Cuts to social security spending since 2010 are estimated to be worth £39bn per year by 2021/22.<sup>67</sup> These cuts affect women more than men because of their generally lower income, longer lives and greater caring responsibilities. In particular, drastic cuts to certain tax credit elements and the

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<sup>61</sup> Mental Health Foundation (2017) *Women and Mental Health* (<http://bit.ly/2imFx8l>)

<sup>62</sup> British Medical Association (2017) *Breaking down barriers – the challenge of improving mental health outcomes*. (<https://bit.ly/2TY9H61>)

<sup>63</sup> LSE & Centre for Mental Health (October 2014) *The costs of perinatal mental health problems* (<https://bit.ly/1yUtlp3>)

<sup>64</sup> Young Minds (30 October 2018) 'Children's Mental Health Funding: Where Is It Going?' (<https://bit.ly/2NDVlSF>)

<sup>65</sup> British Medical Association (2018) *Lost in transit? Funding for mental health services in England* (<https://bit.ly/2EcUAPg>)

<sup>66</sup> WBG (October 2018) *Health and Gender* (<https://bit.ly/2OxG8q6>)

<sup>67</sup> Office for Budget Responsibility (November 2017) *Policy measures database* (<https://bit.ly/2Toy7Wh>)

introduction of Universal Credit (UC) has penalised many women as primary carers and secondary earners. The additional £1.9bn spending on UC announced in the 2018 budget does little to make up for these cuts.

The abolition from April 2017 of any additional child element in UC for third and subsequent children will have severe consequences for child poverty rates in the UK. This will have a knock-on effect for the families of these children and in particular for women, who are more likely than men to have caring responsibilities, and account for 90% of lone parent households<sup>68</sup>. Women are also more likely to be responsible for budgeting in low-income families with children, often shielding their families from poverty by going without food, clothing or warmth themselves.<sup>69</sup> BAME women will be disproportionately impacted by the 2-child cap as they tend to belong to, or have, larger families.<sup>70</sup>

In addition, cuts to work allowances in UC and the increased taper rate compared with tax credits for many 'second earners', reduce employment incentives and therefore the capacity of many women to earn a decent living. Further, the payment of UC into a single bank account on a monthly basis makes budgeting more difficult and increases the risk of financial abuse for women in controlling relationships.<sup>71</sup>

WBG argues that social security is a necessary part of the social infrastructure on which a caring economy and society is based.<sup>72</sup> The social security system should promote well-being for all, decent living standards and opportunities for everyone to fulfil their potential in life.<sup>73</sup> This requires an immediate lifting of the benefit freeze and an end to the benefit cap and two-child cap. A social security system based on principles of human rights must go hand in hand with adequate investment in the social infrastructure of education, health and care public services. Failing to do so risks making short-term cost-savings, but storing up long-term problems.

*You can read our policy briefing social security via the WBG website.*<sup>74</sup>

## **Education**

Public spending on education has been in decline since 2010. There has been an 8% real-terms reduction in school spending per pupil between 2009-10 and 2017-18.<sup>75</sup> At the same time, additional money has been allocated to free schools and Independent schools continue to be subsidised through tax relief. The proliferation of selective schools raises concerns for integration and gender equality. The government should review the status of free and independent schools and make sure state education is properly funded per pupil, including further education.

The impact of the fall in real-terms school funding has been widespread and included cuts to special needs support in schools and after-school clubs. These have impacted disproportionately on mothers, who take on the majority of caring responsibilities for school-age children.

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<sup>68</sup> Office for National Statistics (2017) *Families and Households: 2017* (<https://bit.ly/2hekeFr>)

<sup>69</sup> WBG (2015) *Poverty in the UK: the need for a gender perspective* (<http://bit.ly/2GWExqa>)

<sup>70</sup> WBG and Runnymede Trust (October 2017) *Intersecting inequalities: The impact of austerity on Black and Minority Ethnic women in the UK* (<http://bit.ly/2jLave5>)

<sup>71</sup> WBG (June 2018) *Universal Credit and financial abuse: exploring the links* (<https://bit.ly/2Evx6SE>)

<sup>72</sup> WBG (November 2018) *Social Security and Women* (<https://bit.ly/2Czj0vv>)

<sup>73</sup> WBG (November 2018) *Social Security and Women* (<https://bit.ly/2Czj0vv>)

<sup>74</sup> WBG (November 2018) *Social Security and Women* (<https://bit.ly/2Czj0vv>)

<sup>75</sup> IFS (2018) *2018 Annual Report on Education Spending in England* (<https://bit.ly/2D5G3EW>)

Teachers' salaries are paid for out of school budgets and with budgets under pressure, the government and individual schools have looked for ways to reduce their spending in this area. Cuts to primary, secondary and further education funding have worsened pay and affected women disproportionately as they are the vast majority of classroom teachers in both primary and secondary schools. Women earn less than men at all levels of education and are, proportionally, less likely to be in senior roles than men.<sup>76</sup>

The shift to funding higher education teaching through tuition fees and loans is having a disproportionate adverse impact on women. Women pay a significantly larger proportion of their income back in loan repayments than men because of the gender pay gap in graduate occupations and due to time out of the workforce for unpaid caring.<sup>77</sup> Having a student loan also appears to have a negative impact on when women, but not men, marry and begin having children.<sup>78</sup>

Funding for apprenticeships will double from 2015-16 to 2019-20.<sup>79</sup> However, apprenticeships remain highly gender segregated with women making up the majority of students in apprenticeships for low-paid professions, such as childcare, hairdressing and health and social care. Without the government making a concerted effort to promote apprenticeships in non-traditional occupations for both young women and young men, this investment is likely to widen the gender pay gap.

*You can read our policy briefing on education via the WBG website.*<sup>80</sup>

## **Public Transport**

Travel is highly gendered, including travel by public transport. In 2017 across England, a third more women than men travelled by bus and a third more men than women travelled by rail.<sup>81</sup>

Rail travel in England remains far less popular overall as a mode of transport than the car, walking or travelling by bus, accounting for just 2% of trips made in 2017.<sup>82</sup> Yet trains still attract more funding, resource and media interest than buses do,<sup>83</sup> especially large, high-cost intercity projects (e.g. HS2) that move wealthy people (mainly men) from one part of the country to another.

Across the UK, particularly in rural and isolated communities, the bus is often the only form of public transport. However, such routes are often considered 'unprofitable' by private providers so rely on subsidy from local authorities. Significant cuts to local authority budgets means that funding for buses across England has been cut by 46% since 2010/11 and by nearly £20.2 million in 2017/18 alone.<sup>84</sup>

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<sup>76</sup> NASUWT (2016) *Teachers' Pay and Equality: Baseline Research* (<http://bit.ly/2zzuXF0>)

<sup>77</sup> London Economics (2017) *The impact of student loan repayments on graduate taxes* (<http://bit.ly/2yVTpRz>)

<sup>78</sup> UCL Institute of Education (2018) Graduate indebtedness: its perceived effects on behaviour and life choices – a literature review (<https://bit.ly/2RTEfSE>)

<sup>79</sup> UCL Institute of Education (2018) Graduate indebtedness: its perceived effects on behaviour and life choices – a literature review (<https://bit.ly/2RTEfSE>)

<sup>80</sup> WBG (November 2018) *Education* (<https://bit.ly/2PSxSxE>)

<sup>81</sup> Department for Transport (2018) *Travel by car access, household income, household type, NS-SEC and mobility status NTS0702* (<http://bit.ly/2JbWa3f>)

<sup>82</sup> Department for Transport (December 2018) Rail Factsheet (<https://bit.ly/2U25myM>)

<sup>83</sup> House of Commons Library (16 February 2018) *Transport Spending by Region* (<https://bit.ly/2TRhQtZ>)

<sup>84</sup> Campaign for Better Transport (2018) *Buses in Crisis, 2018* (<https://bit.ly/2EvvHuv>)

The Campaign for Better Transport found that over 3,300 bus routes had been reduced or completely withdrawn between 2010/11 and 2017/18.<sup>85</sup> Analysis conducted by the BBC<sup>86</sup> showed that there had been a loss of 134 million miles of bus coverage across the UK over the past decade. A lack of public transport creates barriers to women accessing employment opportunities, education, health and other essential services and reduces women's ability to socialise and participate in public life. It is therefore inextricably linked to social disadvantage, exclusion<sup>87</sup> and gender inequality.

This makes it imperative that public transport policy and spending is understood from a gender perspective at a local, regional and national level, and that the harmful cuts to local authority budgets are halted as a matter of urgency. Furthermore, investment in bus infrastructure could help to tackle congestion and unlock wider social, economic and environmental benefits.<sup>88</sup>

*You can read our policy briefing on transport via the WBG website.<sup>89</sup>*

## Conclusion

The 2019 Spending Review is a major opportunity for the Government to prove that they are committed to ending austerity. It provides a chance for them to set out their vision for the country, including life after Brexit, and show how their policies support that.

As future spending plans are dependent on a 'good' Brexit deal, and with on-going uncertainty over what shape Brexit will take, it is difficult to say what position we will be in when the Spending Review takes place. With continued low growth projections regardless of the outcome of Brexit<sup>90</sup> however, the Chancellor should take this opportunity to invest in social infrastructure, particularly the care sector, which would not only address the urgent crisis in care but would also boost employment.<sup>91</sup> This could include, among other things, free universal child-care and a significant boost in funding for education and health (with a sufficiently ring-fenced mental health budget), that properly reflects the benefits society reaps from these services.

We urge Government to carry out equality impact assessments (EIAs) of the spending plans of individual departments and for the Treasury to carry out an EIA of the Spending Review as a whole. There is a gender impact of the distribution of spending between departments – in addition to the impact of more nuanced department level spending decisions – for which the Treasury has to take responsibility. Not only will this enable the Government to fulfil its Equality Duty but such analysis can be used to inform spending decisions which aim to reduce rather than further exacerbate inequality between women and men.

In addition, we urge the government to address the need to plan for and fund issues which cut across multiple departments such as Violence Against Women and Girls as recommended in the Institute for Government's Spending Review report.<sup>92</sup>

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<sup>85</sup> Campaign for Better Transport (2018) *Buses in Crisis, 2018* (<https://bit.ly/2EYvHuv>)

<sup>86</sup> BBC (16 February 2018) 'Britain's bus coverage hits 28-year low' (<https://bbc.in/2Hj7xEY>)

<sup>87</sup> For a comprehensive analysis of the links between poverty and transport, see <https://bit.ly/2YbMkWO>

<sup>88</sup> Greener Journeys (November 2018) *Bus Infrastructure Investment* (<https://bit.ly/2JtasQB>)

<sup>89</sup> WBG (October 2018) *Public Transport and Gender* (<https://bit.ly/2OM211x>)

<sup>90</sup> Office for Budget Responsibility (2018) *Economic and Fiscal Outlook* (<https://bit.ly/2yJFvjv>)

<sup>91</sup> WBG (March 2016) *Investing in the Care economy to boost employment and gender equality* (<https://bit.ly/2GYtb4s>)

<sup>92</sup> Institute for Government (2018) *The 2019 Spending Review: How to run it well* (<https://bit.ly/2p2pEHp>)

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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](http://www.wbg.org.uk)

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The Women's Budget Group have produced briefings on a range of policy areas.

- Childcare
- Disability
- Education
- Employment / Public Sector Pay
- Health
- Housing
- Parental Leave
- Pensions
- Savings
- Social Care
- Social Security
- Taxation
- Trade and Investment
- Transport
- Violence Against Women and Girls

These are available to read and download for free via our website: [wbg.org.uk](http://wbg.org.uk)



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