

Women's Budget Group submission to Labour Policy Forum consultation Local economic development

Local government

The Women's Budget Group recognises local government and local public services as crucial to improving the lives of women. Our core asks from the Labour party would be to improve:

1. Democracy and accountability in local government by removing barriers to entry for women, BAME and working-class groups.
2. The devastated state of local government funding which has been cut by 49% on average since 2010 and needs reinvestment to repair, restore and advance
3. Pay and conditions for all local government staff, who are more likely to be women.

There remain substantial barriers for women entering local authorities and the majority of those in senior roles are white men: [97%](#) of councils are male dominated Just 4.2% of councillors are from BAME communities. This is unacceptable and means that women's voices and needs are not heard within local government or reflected in local and national economic strategies or expenditure.

The problem is further compounded by the fact that women are sadly lacking from leadership positions within local government: Just 17% of council leaders are women. All of the elected mayors in combined authorities are men, as are twelve of the fifteen elected mayors in single local authorities. Just three of the eleven Labour mayors out of that group are women. When women's voices are not heard, our experiences and interests are not represented at the political level. This is a real problem in local government because it is often devolved public services which are closest to citizens and, that women rely on most.

The Women's Budget Group would like to see Labour tackle some of the key institutional barriers for women. This might include hours, rates of remuneration, childcare and social care support and parental leave for councillors. Additionally, we believe that there needs to be structures in place to ensure civil society engagement so that policies reflect the genuine needs and experiences of local communities.

How can councils use insourcing to support their local economy?

The Women's Budget Group believes that insourcing must be a central part of Labour's national economic strategy and that local government is well positioned to bring services back 'in-house' as part of it. Insourcing is proving to be successful as one component of 'community wealth building strategies' in Preston and other UK and 'Fearless Cities' globally, which are turning to alternative local economic models based on harnessing local wealth and public sector 'capital' for local people and local enterprises, rather than outsourcing to multi-nationals.

We believe that public money should be put to the best possible use and that privatisation does not represent best economic or social value. We recognise that many councils have lost the capacity and infrastructure to return all services to councils overnight and that capacity and organisational intelligence will need to be re-built in order to in-source. However, we believe that all core and person-centred local services should be provided by local authorities wherever possible.

What role can Community Wealth Building techniques play in the development of

local economies?

The Women's Budget Group is supportive of the community wealth building approach, but believes that it must be part of a national economic strategy which seeks to ensure an end to poverty, discrimination and inequality across the country, including in rural and remote areas for which community wealth building might not be as appropriate or beneficial. We are also concerned to ensure that a focus on the development of co-ops and small businesses under the guise of 'democratisation' of the local economy does not result in the further outsourcing or fragmentation of local government services.

The increase in the number of UK councils and others worldwide which are adopting Community Wealth Building strategies is well documented by APSE, CLES and others. The establishment of Labour's Community Wealth Building Unit is welcome in that context. Using Preston's pioneering work as a model, Manchester, Birmingham, the London boroughs of Islington and Southwark and others are engaged in developing strategies to 'lock in' local wealth to the maximum benefit of local residents and stop 'leakage' to unaccountable multinationals, which invest precious public spend outside of their communities.

These initiatives centre on insourcing services and also using the purchasing power and strategic importance of public sector 'anchor' institutions to re-focus public spending on local businesses to strengthen their local economies.

We would also want to emphasise the points made under the 'Local Government' section above about the under-representation of women as councillors and 'leaders' of all kinds within local government. Community Wealth Building will only be successful if women, BAME, disabled and other discriminated against groups are actively represented on councils, as council 'leaders' and as community participants.

How can councils use the planning system and other instruments to support local high streets, for example, by bringing empty commercial properties back into use?

The Women's Budget Group believes that the planning system can – and must – be mobilised to support progressive local economic strategies through first rate provision of local data, local spatial intelligence and quick and effective responses to local development.

Given the downturn in the retail sector, the Women's Budget group also believes that careful planning is needed to ensure that local economic strategies and 'regeneration' are not focussed on large retail developments, the purchase of real estate and infrastructure development, but also focus on local community needs – such as play space, nurseries, public green space, sports facilities, libraries, museums, community centres and other public amenities. If investment in social care and childcare were to become part of national and local economic strategies for instance, then empty shop and commercial spaces could be re-assigned as nurseries and day centres.

Councils' planning capacity has been undermined by privatisation of planning functions and the high vacancy rates for planners across local government. This needs to be rectified if the planning system is to be fully utilised to support the development of local economies.

Should Labour retain LEPs as a key body for defining local priorities and directing local economic development? If yes, how could they be reformed? If no, what should replace them?

LEPs have the potential to understand and prioritise local needs, argue for local public investment, bring in private investment and improve the chances of people in their areas. Some such mechanism is probably desirable, but *only* with adequate democratic control.

LEPs are designed to be Business-Lead, or at least to be strongly influenced by business, where business invariably means private sector and usually involves locally powerful individuals. The Boards they establish to run them consist mainly of white men with interests that sometimes counter those of the inclusive community. Only 20% of LEP's have women in one third of their seats. 30% of them are reported to be 'unwilling' to meet that target by the deadline of 1 April 2020. This is unacceptable and compromises the effectiveness of LEPs. For this reason we would like to see LEPs – or some such model – retained but the focus must be on recognising the value of social infrastructure (health, education and social care) as well as increasing accountability and diversity of LEPs.

The local partnerships include both LEPs and regional Mayoral-based combined authorities; the latter have devolved funds from central government via 'deals' agreed to deliver specific functions normally delivered centrally.

The most important policy the Labour Party could introduce is that Boards of local delivery mechanisms should be representative of the populations they have been established to serve – meaning the people of the locality, rather than only the employers. In particular, the mechanism for appointment of Board Members should be made more transparent and open to civil society and the general public, and there should be a requirement for a minimum percentage of women, preferably 50%.

The remit of LEPs needs to be significantly rethought to emphasise inclusivity, so that women and minority groups are included in the benefits of investment and development. GDP growth is not the only (or indeed the main) criterion for sustainable and inclusive growth – a reduction in local inequalities should also be a criterion.

Lastly, our experience is that the differential needs of women and men are not understood by LEPs, and that their Public Sector Equality Duties under Equality Act 2010 are not being met. In particular, the Duty to promote equality (rather than 'just' avoid discrimination) is largely ignored. We recommend that their terms of reference are modified to include promotion of equality (including as between women and men) as a performance measure. We also recommend that LEP Boards are widened to include civil society representation and that their requirement to consult is broadened to include stakeholders and the public.

How can Labour councils in different parts of the country work together to build mutually-beneficial economic ties?

Combined Authorities are responsible for developing Local Industrial Strategies (LIS). Given that individual Authorities each have separate growth or economic strategies it would make sense if the LIS starting point were a combination of these, rather than starting from scratch. It is often not clear who has been invited to participate in any consultation and local women's organisations are often absent.

The Labour Party document rightly highlights disparities between different parts of the country, stressing the north south divide, but areas such as the West of England (held up as a relatively well-off place) have within them very large disparities both geographically and between different communities of interest.

Combined authorities are a good idea, yet they inconsistently upheld and delivered across the country. This is often to the detriment of citizens themselves. For example, funding local public services like social care through council tax or local business rates deepens regional inequalities as the local authorities with the greatest demand for services are those that are able to raise the least through local taxation. This is a policy the Women's Budget Group would like to see reversed.

Regardless of structure, local government needs to be properly funded. Local services are 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 2017/1819 with councils in the most deprived areas suffering the greatest cuts. Local governments need substantial reinvestment – particularly in social infrastructure – to repair the damage done since 2010.

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.

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.

Housing

Housing is one of the most urgent public policy issues in the UK. Our housing system is in crisis and the causes and impacts of that crisis are gendered. Women's lower incomes relative to men's means they are less able to afford housing. A forthcoming report from WBG shows that there is no region of England where a woman on median earnings can afford to rent or buy an averagely priced home. In addition women's caring responsibilities mean they have specific needs when securing a suitable home for themselves and their children.

We recommend that:

- Central government should invest in social housing to spread the benefits of the housing safety net more widely and save billions of pounds in housing benefit.
- The government should make it easier for local authorities to build and invest in housing, including by scrapping the HRA borrowing cap.
- Housing funding pots for local authorities should be streamlined.
- Cuts to local government funding should be reversed and deprivation included in funding formula by central government.

EU structural funds

Of the £9.3bn allocated to the UK through the European Structural and Investment Fund between 2014-2020, more than half (5.55bn) is linked to objectives that focus on equality issues. One of the priorities of the fund is 'to promote social inclusion and combat poverty and any discrimination.

We recommend that:

- Equality principles and requirements should be an integral part of all programmes funded by the Shared Prosperity Fund
- The application and reporting processes should be made less bureaucratic, so that it is easier for the voluntary sector to apply for the funding and use it to help communities facing disadvantage and discrimination.
- Local strategies should be based on objective evidence of barriers faced by local people and informed by their views.
- These strategies also need to make sure that there is investment in social infrastructure (health, education, early years) as well as physical infrastructure

Public transport:

The Women's Budget Group welcomes Labour's promise to reinvest in buses. This is because:

- Travel by public transport is highly gendered. In 2017 across England, a third more women than men travelled by bus and a third more men than women travelled by rail. On average men made 17 journeys by London bus, 33 journeys by local buses (not London) and 24 journeys by rail (excluding London Underground). By contrast, on average, women made 18 journeys by London bus, 42 journeys by local bus and 18 journeys by rail.
- Overall, expenditure on UK public transport (2016/17) was £29.1bn. This includes spending on national and local roads, local public transport (e.g. buses and local trains) and national rail. 54% of this was spent on rail, compared to 8% on 'public transport' including local buses.²
- Local Authority funding for buses across England has been cut by 46% since 2010/11, and by nearly £20.2 million in 2017/18 alone; in Wales, there has been a cut of 39% since 2010/11.
- Across the UK (excluding London), public spending on 'local public transport' including buses, was £2.3million, whilst spending on railways was £15.7m. This equates to about £249 per person per year in England, compared to £8 per person per year for buses.⁴
- Bus fares increased by 3.3% in England between September 2016 and September 2017; rail fares increased by 3.4% between January 2017 and January 2018.
- The vast majority of politicians and policy makers involved in high level decision making about public transport are white men. To improve the quality of public transport for all citizens in the long run, improving the diversity of these decision makers is key, in parallel to our earlier point about local democratic accountability and representation.