

Comprehensive Spending Review 2021

A Joint Representation from the UK Women's Budget Group

This a joint response from the UK Women's Budget Group, Maternity Action and the End Violence Against Women Coalition (EVAW). We welcome HM Treasury's commitment to hearing the views of civil society ahead of the Comprehensive Spending Review (CSR).

Summary:

- The Covid-19 pandemic saw the Government recognise the need to do things differently, this included significant public spending which must not be seen as a one-off. Instead the Government must commit to increase long-term public spending, which is the most effective way to 'level up'. Central to this, is investing in public infrastructure like child and adult social care, which is just as essential as investment in physical infrastructure. It must also include significant investment to tackle the climate emergency.
- The need to reform the social care sector is long overdue. A high-quality care service requires investment of £28bn¹ per year over above the current spending but would produce 2.7 times as many jobs as an equivalent investment in construction².
- Investing in the broken childcare sector must be central to the Government's plans to 'level up'. Childcare spending in England should be increased to £15.5bn per year, an investment that would pay for itself through increased employment in the childcare sector itself, as well as indirect and induced employment from multiplier effects.
- Covid-19 has seen the epidemic of violence against women worsen. Strategic investment to deal with this the current crisis, as well as for prevention, is urgently needed.

Introduction

This Spending Review is an opportunity to set the direction for post-Brexit, post-Covid Britain. Whilst the pandemic has exacerbated many of the existing inequalities in the UK, it also saw the Government recognise the need to do things differently to protect people and the economy.

This shift in approach must not be seen as 'one-off' and the Government must commit to increased and long-term investment in the public sector as the most effective way to 'level-up' and 'build back better'.

The spending cuts announced in the 2020 Spending Review constitute a *de facto* return to austerity which will have the greatest impact on women and many minority groups. It will worsen inequality, but it will also fail on its own terms – like it has failed for ten years to fix the economy and public

¹ UKWBG (2021) Government's announced plan will not "fix social care once and for all" – we need a free universal social care system
[WBG-response-to-gov-social-care-plans-FINAL.pdf](#)

² De Henau, Jerome & Himmelweit, S. UKWBG (2020) A Care-Led Recovery from Coronavirus [Care-led-recovery-final.pdf \(wbg.org.uk\)](#)

finances. Even before Covid-19, growth and productivity was low, insecure work was on the rise and wages were falling.

We call for a green and care-led recovery focused on tackling the challenges facing the UK today. This means investing in social infrastructure to not only fix our broken care systems but also to create jobs, boost the economy and address inequality. Care jobs are low carbon jobs and investing in them can help to form part of the green recovery that the Government must urgently plan for in response to the climate emergency.

Social Care

Reform of the social care sector is long overdue. Decades of cuts, deregulation and privatisation have left the sector in crisis and ill-equipped to respond adequately to the Covid-19 pandemic³. In addition, throughout the Covid-19 pandemic, the social care sector has been treated as the ‘poor relation’ to the NHS, with less access to PPE, testing and resourcing.

The crisis in social care exacerbates gender inequality since women are more likely than men to work in care, be in receipt of care in old age and to take on responsibility for unpaid care for elderly, disabled and/or vulnerable adults of working age.

We need a high-quality care service that is free at the point of use, which should:

- Ensure that people’s needs are met in a way which supports wellbeing and self-determination. This means going beyond a focus on personal care to cover other activities of daily life including buying and preparing food, maintaining relationships, and taking part in the life of the community.
- Provide care of high quality. This means a well-trained workforce with decent pay and conditions. In Sweden, Norway, and Denmark, for example, care workers are paid around three quarters of the average pay of nurses.
- Aim to reduce reliance on unpaid care which leaves millions of unpaid carers facing high levels of stress, difficulties staying in paid work and at increased risk of poverty.

We recommend:

- Initial investment of £28bn per year over the current annual spending of approximately £17bn⁴. At £45bn per year this would increase adult social care spending from 1.5% of GDP to 2.3% - this would still be less than in Nordic countries who on average spend about 3.8% of GDP on care⁵.
- In the longer term we need a more expansive service, would lead to higher take up, which we estimate could cost an additional £30bn⁶.

³ Land, H & Pearson, R. UKWBG (2021) Social care, gender and Covid-19 [Social-care-gender-and-Covid-19.pdf \(wbg.org.uk\)](https://wbg.org.uk/Social-care-gender-and-Covid-19.pdf)

⁴ Based on Jerome de Henau’s calculations for UKWBG (2021)

⁵ De Henau, Jerome. UKWBG (2019) Early Childhood Education and Care (ECEC) policies

⁶ Based on Jerome de Henau’s calculations for UKWBG (2021)

Childcare

Even prior to the pandemic, childcare was not fit for purpose and was failing to meet the needs of children, parents, and the economy. Before the pandemic childcare provision was patchy and where it was available it was unaffordable⁷ in part, due to the chronic underfunding of the sector by 37%, and by 20% for three- and four-year olds⁸. This underfunding has driven up the cost of parent-paid hours, as providers try to cross-subsidise the funding shortfall of free hours from parent-paid fees⁹.

The Covid pandemic, and the government's response to it, has exacerbated the crisis in early childcare with implications for children, parents, providers, and wider society:

- Childcare is now less affordable due to the decline in the income of low-income households.
- Access has also been diminished. In the period August 2020-March 2021, Ofsted data showed a net loss of 4.4% of childcare providers and a net loss of 1.1% of childcare places in England - largely driven by childminders leaving the market¹⁰.
- Although childcare is an issue for both parents, the lack of childcare disproportionately effects women¹¹. It has been a root cause of women's job losses, reduction of pay and hours, and employment contract breaches¹².

We recommend:

A system of high quality, free, universal childcare would deliver significant long-term benefits for children, parents, and the wider economy.

- Childcare spending in England should be increased by £10.4bn per year over the current annual spending of approximately £5.1bn in childcare hours and tax credits¹³.
- At £15.5bn per year this would increase childcare spending from 0.26% of English GDP to 0.8%.
- This would enable 30 hours of free childcare to be provided for all children aged 6 months to 4.5 years, with level 3 staff paid at the Real Living Wage and trebling the number of staff with degree equivalent qualifications to 45%.

Despite the need for significant investment in the childcare sector, the investment required to offer good-quality, accessible and affordable childcare would largely pay for itself. Increased employment in childcare and indirect and induced employment would bring in additional revenue recouping 75-79%, with additional savings from reduced spending on means tested benefits¹⁴.

⁷ Abid, H. UKWBG (2021) Access to Childcare in Great Britain [Briefing-Childcare-FINAL-version.pdf \(wbg.org.uk\)](https://www.ukwbg.org.uk/briefing-childcare FINAL-version.pdf)

⁸ Ibid

⁹ Ibid

¹⁰ Ibid

¹¹ UK working mothers are 'sacrificial lambs' in coronavirus childcare crisis (July 2020) [UK working mothers are 'sacrificial lambs' in coronavirus childcare crisis | Coronavirus | The Guardian](https://www.theguardian.com/coronavirus-childcare-crisis-coronavirus-the-guardian)

¹² Ibid

¹³ Based on Jerome de Henau's calculations for UKWBG (2021)

¹⁴ De Henau, Jerome. UKWBG (2019) Early Childhood Education and Care (ECEC) policies

Tackling the Climate Emergency

Addressing the climate emergency requires urgent action to transform our economy and society. The IPCC's report published this year found that "in every region and across the whole climate system" changes were observed, some of which, like rising sea levels are irreversible over hundreds to thousands of years¹⁵.

Although climate change will have an impact on everyone on the planet, women will be affected differently, and more acutely, than men.

- Globally, women are more vulnerable to the impacts of climate change due to their different and unequal social roles and status. These impacts include increased workload, loss of income, health problems and food shortages.
- Conflicts caused or exacerbated by climate change are likely to lead to increased levels of violence including sexual violence against women.
- Women of colour and disabled women are at an even greater disadvantage because of the intersecting forms of discrimination they experience.

We recommend:

- The implementation a Green New Deal and one that includes a wide range of actions to respond to the climate emergency. These actions include; retrofitting homes and public buildings for energy efficiency, flood defence and drought resilience systems and investment for democratic environmental institutions.
- Just as the impact of climate change is gendered, so will any actions to tackle it. As such, a Green New Deal proposals needs to take into account a variety of inequalities (like gender and racial inequality).
- We advocate for a Feminist Green New Deal which means transforming the high polluting, male-dominated industries of transport, energy, and construction, as well as investing in the low-carbon, labour intensive, female dominated caring and service industries.
- NEF, the TUC and IPPR have suggested that 'Green' spending by the UK government should be increased by £35bn a year. This would include a combination of current and capital expenditure.

Violence Against Women and Girls

More than 1 in 4 women will experience domestic abuse during their lifetimes¹⁶, 20% of women and 4% of men have suffered sexual assault, including attempts, since age 16, equivalent to an estimated 3.4 million women and 631,000 men¹⁷. Specialist domestic-violence services, including "by and for"

¹⁵ Climate change widespread, rapid, and intensifying – IPCC (2021) [Climate change widespread, rapid, and intensifying – IPCC — IPCC](#)

¹⁶ ONS, 2018, Domestic abuse: findings from the Crime Survey for England and Wales: year ending March 2018 <https://bit.ly/34cTzP8>

¹⁷ Sexual offences in England and Wales: year ending March 2017, ONS, 2018 <https://bit.ly/2C0Y83y>

services for Black and minoritised women, are the organisations best-equipped to work with those who experience violence against women and girls.

- Even prior to the pandemic, services were severely stretched and under-funded. This crisis has been exacerbated by a sharp increase in demand during the Covid-19 pandemic.
- Emergency Covid funding by government has been insufficient to cope with higher demand, and also only available on a short-term basis, meaning that some of the additional refuges space made available in response to the first national lockdown in April 2020 will likely cease to exist in 2021.

We recommend:

- A long-term funding settlement is required to deal with the current crisis of gender-based violence as well as investment in prevention such as school programmes to address attitudes towards women and girls in society.
- Women's Aid estimates that at least £409 million is needed next year for specialist domestic abuse services across England¹⁸. This estimation includes the funding needed to meet women's mental health needs and holistically support their recovery. Current funding has a shortfall of over £200 million¹⁹.
- The Home Office's own research published last year estimated the economic and social cost of domestic abuse alone is £66bn every year²⁰. In addition to this, one Home Office assessment looking at the costs of rape and sexual offences to society and the victim, estimated this would cost the UK £12.2bn per year²¹.

Female Offenders

Women affected by the criminal justice system (CJS) often have a range of multiple, complex gendered needs that are different from men's and require different responses²². The Ministry of Justice's Female Offender Strategy²³ (2018) recognised that prison exacerbates the conditions that lead women to come into contact with the CJS.

- It is generally agreed, across government and the CJS, that Women's Centres represent the most effective support as part of alternatives to custody²⁴.

¹⁸ [Women's Aid launches national campaign Deserve To Be Heard to highlight impact of domestic abuse on mental health of women and their children - Womens Aid](#) (2021)

¹⁹ Ibid

²⁰ Home Office (2019) The economic and social costs of domestic abuse [The economic and social costs of domestic abuse \(publishing.service.gov.uk\)](#)

²¹ Home Office (2018) The economic and social costs of crime [The economic and social costs of crime \(publishing.service.gov.uk\)](#)

²² See Baroness Corston's seminal report, The Corston Report, 2007, Home Office <https://webarchive.nationalarchives.gov.uk/20180207155341/http://www.justice.gov.uk/publications/docs/corston-reportmarch-2007.pdf>

²³ Ministry of Justice (2018) Female Offender Strategy https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719819/female-offenderstrategy.pdf

²⁴ UKWBG (2020) The Case for Sustainable Funding for Women's Centres [WBG-15-Womens-Centres-Report-v4.pdf](#)

- The 2018 Female Offender Strategy²⁵ aims to reduce the use of custody and ensure that courts can have confidence in effective community sentences and support services which work for women.
- Despite recognition of the value of Women's Centres, funding for these services remains inadequate and precarious.
- Issues linked to female offending cost the Government approximately £1.7bn, including police costs of around £1 billion in 2015/16. It costs £52,121 to keep a woman in prison for a year²⁶.

We recommend:

- That the Treasury commit to investing £70.7m per year²⁷, which is the full cost of providing holistic, women-centred services to all women subject to criminal justice supervision as found by a 2018 assessment by Clinks and the Prison Reform Trust.

Housing

Housing contributes to living standards, opportunities, and wellbeing yet women face specific challenges securing homes that are affordable and suitable for them and their families. This is a consequence of structural inequalities, including women's lower earnings from employment, due in large part to a disproportionate share of caring responsibilities²⁸.

- On average, private renters spend 33% on rent, however due in part to the gender pay gap, there is a distinctly gendered difference; average rents use up 43% of a woman's median earnings and only 28% of men's²⁹.
- Since 2010 there has been a sharp reduction in overall government spending on housing, reductions in housing benefit rates and eligibility and changes to the size and status of the social housing sector³⁰. All of these have reduced the 'housing welfare safety net' and disadvantaged women in particular.
- The Treasury needs to provide funding for high quality social housing and for the retrofitting of existing homes - this must be done with the lowest carbon output.

We recommend:

- The Treasury need to invest in building high-quality, low carbon social homes, starting with provision for the 1.2 million people are on the waiting list for social housing.

²⁵ Ministry of Justice (2018) Female Offender Strategy

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/719819/female-offenderstrategy.pdf

²⁶ Costs per place and costs per prisoner 2018-19 in the Prison Performance Statistics 2018 to 2019 - Table 2: Supplementary Information

<https://www.gov.uk/government/statistics/prison-performance-statistics-2018-to-2019>

²⁷ Clinks and the Prison Reform Trust (2018) <https://www.clinks.org/community/blog-posts/ensuring-distinct-approach-ministry-justice-launch-their-female-offender>

²⁸ Tunstall, B. UKWBG (2020) Housing and Gender [final-housing-2020.pdf \(wbg.org.uk\)](final-housing-2020.pdf (wbg.org.uk))

²⁹ Johnston, A. UKWBG (2021) Housing, Gender and Covid-19 [housing-with-cover.pdf \(wbg.org.uk\)](housing-with-cover.pdf (wbg.org.uk))

³⁰ Tunstall, B. UKWBG (2020) Housing and Gender [final-housing-2020.pdf \(wbg.org.uk\)](final-housing-2020.pdf (wbg.org.uk))

- As estimated by Shelter this number will need to grow to 3.1 million social homes over the next 20 years³¹.
- This would provide security for families and reduce the level of housing benefit, currently required to cover the cost of unaffordable private rents.

Maternity Rights and maternity, paternity, and parental leave reform

Access to Employment Tribunals

In 2016, a Government-commissioned programme of research by the Equality & Human Rights Commission (EHRC) found disturbingly high levels of pregnancy and maternity discrimination in UK workplaces, with some 50,000 pregnant women and new mothers being forced out of their job every year³².

This situation has been made worse in the last 18 months with thousands of women lose wages, entitlements, or their job due to the pandemic.

- To ensure it can provide effective and timely justice Maternity Action has recommended that a recovery plan is established for the Employment Tribunal system. The plan would see the time limit for making a claim should be increased to six months, as recommended by the Law Commission in April 2020 . The plan would also reduce the backlog of outstanding cases to pre-pandemic levels by the end of 2022.

We recommend:

- Investment of £60m, based on yearly costs of £15m for 4 years, estimated by Maternity Action for funding the recovery plan.

A new model of statutory maternity, paternity & parental leave

The Shared Parental Leave scheme introduced in 2015, the Government's flagship policy for driving a societal shift towards more equal parenting is not fit for purpose. The latest available data suggest that in 2019/20, the fifth year of the scheme, take-up among eligible fathers was just 3.6% – well short of the Government's stated target of 25%³³.

- The scheme is complex and poorly understood, has not transformed take-up of parental leave by fathers, and has therefore had negligible if any impact on equal parenting and sex equality in the home and workplace³⁴.
- A new system of parental leave should create a culture that encourages and incentivises fathers and second parents to take parental leave. A new and improved system would mean each parent having an individual, non-transferable, right to time off and adequate pay, reserved just for them

³¹ Building for our future: A vision for social housing [A vision for social housing, from Shelter - Shelter England](#)

³² Pregnancy and maternity discrimination research findings [Pregnancy and maternity discrimination research findings | Equality and Human Rights Commission \(equalityhumanrights.com\)](#)

³³ Dunstan, R. Maternity Action (2021) Shared Parent Leave: just Bill me [Shared Parent Leave: just Bill me - Maternity Action](#)

³⁴ Ibid

- Maternity Action frame this as the ‘use it or lose it’ model. They estimate that such a model would cost on around £7 billion a year.

Meaningful Equality Impact Assessments

The Government should carry out a comprehensive and meaningful Equality Impact Assessment (EIA) of the Budget and Spending Review to accompany publication.

We believe the Treasury should carry out EIAs on all its Budgets and Spending Reviews. But given its repeated failure to meet its obligations under the PSED, we recommend also that the Office for Budget Responsibility be given the responsibility of carrying out a comprehensive Equality Impact Assessment for the Spending Review and future budgets and financial statements.

We recommend:

- Both Treasury and OBR, EIAs assessment should consider cumulative impact, intersectional impact, the impact on individuals as well as households, impact over a lifetime and the impact on unpaid care. They should be based on evidence and consultation with those most likely to be affected by policy.
- Assessments should go beyond the current protected characteristics in the Equality Act to include Socio Economic Status, which was originally included within the PSED but not enacted.

Taxation

Tax is the necessary financial contribution that individuals and companies make to a well-functioning society. Women tend to benefit particularly from the public spending that tax can be used to finance.

The recommendations set out in this representation call for greater investment in social infrastructure which brings wide-reaching returns. The Government can borrow to fund this investment, just like it does when it invests in physical infrastructure.

The tax system must be reformed to make it fairer and more progressive so that it is better able to contribute to the funding of public expenditure, including by ensuring that all forms of income and capital gains are taxed in the same progressive way.

We recommend:

- Increase corporation tax to average OECD levels to stop a race to the bottom decreasing public revenue in the UK and elsewhere.
- Increasing fuel duty, and possibly other green taxes, while giving financial support to those who have exceptionally high costs in reducing their environmental footprint.

- Recent research by Ozlem et al at the University of Greenwich has found that financing investment in care by increasing taxes on profit income and wealth, generates significantly better outcomes on output and employment than taxes on labour income³⁵.

The UK Women's Budget Group (WBG) is an independent network of leading academic researchers, policy experts and campaigners that analyses the gendered impact of economic policy on different groups of women and men and promotes alternative policies for a gender equal economy.

We are extremely grateful to those who contributed to this representation. They include members of our Policy Advisory Group, [Maternity Action](#), [EVAW](#) and our Women's Budget Group partners in [Scotland](#), [Northern Ireland](#) and [Wales](#).

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³⁵ Oyvat, C & Onaran O. University of Greenwich (2021) Tax wealth and profit income to fund social care and healthcare

