

Spring Budget 2023 Pre-Budget Briefings

Local government and gender

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A pre-budget briefing from the UK Women's Budget Group – Spring 2023

Key points:¹

- **Women and girls depend disproportionately on local authority and care services** because they still do most of the unpaid child/care work and rely on local services to support themselves and their families. Women also make up **75% of local government and school workers** - affected by pay cuts and redundancies.
- Women's lives – particularly those of BAME and disabled women – have been **seriously affected by funding cuts to local government** since 2010 and the **recent cost-of-living and income crises**. This effect has been exacerbated by social security benefit cuts and Covid-19.
- When adjusted for inflation and population growth, the final **2023-2024 Funding Settlement for Local Government** results in **lower funding levels** for all councils than in 2015/16. Overall, councils' spending power has fallen by 26% since 2010.
- While core spending power will increase by 6% in real terms in 2023-2024, this includes an assumed 3% increase in Council Tax, a 2% rise in the Social Care Precept, single-year Government grants, ringfenced funding and the re-allocation of existing Government funding.
- Increased dependence on Council Tax will hit the poorest local authorities hardest.
- Excluding extra funding for social care, 26% of the **increase in local authority core spending power** between 2021/22 and 2024/25 is from grants and **74% from locally raised revenues** such as Council Tax.
- Overall, the most deprived councils have had lower increases in core spending power than the wealthiest councils since 2011/12. The 2023/24 Funding Settlement will do little to support the aims of the Government's **Levelling Up and Regeneration Bill** to "ensure everyone can share in the UK's success".
- District councils will only see a 3% increase in spending power before inflation. London boroughs and the Greater London Authority will receive less in central government grants and Business Rate funding than last year.
- Councils have increasingly **borrowed to invest in commercial activities** to generate income for services. This income declined as a result of Covid-19 and has led to financial difficulties in some councils.
- Increased and sustained central government investment is needed to reverse the damage done to local services over the past thirteen years. **Many councils will have to make further cuts to services or use reserves** to compensate for cuts since 2010.
- Government has again delayed its Fair Funding Review beyond 2025. Councils need **long-term funding certainty, at a level which enables councils to meet their statutory duties** and provide the local services which women and local communities rely on.

¹ For more information about the impact of cuts to local government services on women see WBG (2019) Triple whammy - the impact of local government cuts on women (<https://bit.ly/3mmy7S2>)

Why is local government important to women?

Services

Local government is responsible for providing or funding many of the services crucial to the daily lives and well-being of women and those they care for – children, families and vulnerable adults. These services include social care, schools, housing, domestic violence services, transport, youth and leisure services, public health, business support and planning and waste collection. Traditionally councils have also been a key source of funding for voluntary sector projects from which women benefit too.

Many of these services provide care to children and adults in need of support, including disabled and elderly people. Women continue to do most of the unpaid child and adult care work and so these services are integral to redistributing unpaid care and ensuring women have equal opportunity to participate in the paid economy.

Employment

Local government is also an important source of women's paid employment, although austerity has led to a decline in council jobs across the UK from 2,870,000 in 2010 to 1,998,000 in 2022.² In 2022, 74% of 1,186,300 council employees in England were women. More women worked part-time than full-time in local government in every region except Greater London.³ Women are overrepresented in the public sector, making up just under two-thirds of public sector employees in the UK in 2021. 32% of employed women work in the public sector, compared to 16.1% of men.⁴

Statutory duties

There are over 1,300 statutory duties placed upon local government, including the duty to ensure that children are educated, the assessment of social care needs and care commissioning, the provision of a 'comprehensive and efficient' library service, the promotion of the welfare of children in need and the requirement to ensure sufficient childcare for working parents or those in education or training. The 2021 Domestic Abuse Act placed a new statutory duty on councils to assess the needs of and commission support for victims of domestic violence and their children.

² ONS (Dec 2022) [Public sector employment, UK](#)

³ ONS (Sept 2022) [Quarterly Public Sector Employment Survey: Local Government Employment Quarter 3, 2021](#)

Other duties include waste collection, monitoring of air quality, maintenance of roads and bridges and reimbursement of travel operators for travel concessions. Councils must also provide 'sufficient sanitary conveniences', ensure safe food and provide facilities for disabled people in their homes.

How is local government organised?

There are 333 councils in England. 181 of them are district councils, with responsibility for waste collection, housing, planning and Council Tax collection. The rest are 'upper tier' authorities – shire county councils, containing shire districts – and 'single tier' London boroughs, metropolitan districts and unitary authorities, which are responsible for social care and education, alongside all other local services. There are around 20,000 elected councillors – only 36% of whom are women and 4% from a Black or ethnic minority background.⁵

How is local government funded?

There are three main sources of local government funding in England:

- 1) Grants from central government, including the Rate Support Grant (RSG).
- 2) Council Tax: Council tax is a direct tax paid by residents and set by each individual authority. Authorities can retain all the funding raised from council tax in their area to support their budget.
- 3) Business Rates: Business rates and the multiplier are set by central government. Currently, local government collectively retains half of the income from business rates, the other half is paid by councils to central government, which uses the income to fund grants to local authorities. In anticipation of a (hitherto unrealised) move to universal Business Rate Retention in 2020, some councils have also been pilots for 75% or 100% Business Rate Retention, further reducing central Government support.

Some local government funding is *controllable*. Authorities have some say over how it is used locally. Some other income streams are *non-controllable* and are passed through local authorities to other bodies

⁴ ONS (Feb 2022) EMP13: Employment by industry (<https://bit.ly/3KMeKgk>)

⁵ LGIU (2022) Local government facts and figures: England (<https://bit.ly/35VgYp>)

and individuals such as schools, police and benefits claimants.⁶

The proportions of Business Rate and Council Tax income vary significantly between local authorities, depending on the local council tax base, the local economy, demography and the services provided. In poorer areas and in those where the local economy is weak, income from council tax and business rates is lower than in richer areas. However, demands for services such as social care and housing are often higher in poorer areas which generate less income from local taxation.

The proportion of revenue expenditure derived from council tax alone rose from 40% in 2009/2010 to 60.2% in 2022/2023. That proportion has fallen very slightly in 2023/24 to reflect a higher level of social care grant funding within the overall settlement. Central Government grant fell from 48% of councils' income in 2015/2016 to 27.5% in 2022/2023.⁷ It increased very slightly as a proportion of the 2023/2024 Settlement but remains significantly below 2015/2016 levels.⁸

Councils also raise funds from trading and investment and sales, fees and charges and may receive other income from transfers and payments from other public bodies including the NHS and other local authorities.

Local authorities may also build up 'appropriate' reserves to maintain balanced budgets and provide a resource to cushion the impact of unexpected events or emergencies.⁹ Between 2010 and 2018/2019, councils had to draw on unallocated reserves to maintain services, using over £1.75 billion in 2018-19, when reserves were £19 billion.¹⁰

Councils' reserves have grown by £11.1 billion in the last two years – up 50%. This figure includes an increase from £29 to £31 billion in 2022/23. However, over 80% of current non-school reserves are earmarked for specific Covid-recovery expenditure and to manage anticipated future cuts. As the Chartered Institute of Public Finance and Accountancy

(CIPFA) has also pointed out, the government made grants to cover more than one year in 2021/22 and these will account for some of the increase in earmarked reserves.¹¹ The Government has called on councils to their use reserves to maintain services "in the face of immediate inflationary pressures" this year.¹²

Local authorities have increasingly been forced to borrow to invest in commercial activity to generate compensatory income for local services in recent years. Real terms investment quadrupled from £0.9 billion in 2010-11 to £3.7 billion in 2017-18.¹³ Councils in England invested heavily in commercial properties between 2016 and 2020 – over £3bn into office developments, more than £2.3bn into retail property and nearly £1bn on industrial property between 2016 and 2019 – a 14-fold increase in three years, according to the National Audit Office.¹⁴ As a consequence of Covid, some councils which invested heavily in commercial property made significant losses and the Government has moved to restrict borrowing for commercial purposes, including from the low-interest Public Works Loan Board.

Local government and the impact of austerity

Under austerity since 2010, local authorities have faced cuts to their budgets, on top of budget reductions through 'efficiency reviews', the Best Value regime, and other cuts measures under previous administrations.¹⁵ These were followed by Covid and recent spiralling inflation. As well as reducing core services, cuts have also impacted on important voluntary sector projects for women funded by councils. According to the LGA, local services face a funding gap of £7.9 billion by 2025, 88% of councils are planning to use reserves to manage cuts.¹⁶

In the period 2010/11-2017/18 central government funding for English councils fell by over 49%. Once local income from Council Tax and Business Rates was factored in, this amounted to a 28.6% real-terms drop in spending power.¹⁷

⁶ National Audit Office (2018) Local authorities (<https://bit.ly/32wZAbW>)

⁷ House of Commons Library 2022: Local Government Finance Settlement 2022/2023 (<https://bit.ly/3iiv5NX>)

⁸ House of Commons Library 2023: [Local Government Finance Settlement 2023/2024](https://bit.ly/32wZAbW)

⁹ National Audit Office (2018) Local authorities (<https://bit.ly/32wZAbW>)

¹⁰ MHCLG (2019) Local Authority Revenue Expenditure and Financing: 2019-20 Budget, England (<https://bit.ly/32yFaPC>)

¹¹ [LocalGov 21 December 2022](https://bit.ly/32yFaPC)

¹² House of Commons Library 2023: op cit

¹³ Ibid

¹⁴ Guardian (2020) Which English councils rely heavily on commercial investments? (<https://bit.ly/3KNiCt3>)

¹⁵ LGIU Local Government Information Unit (2008) Back to front: efficiency of back office functions (<https://bit.ly/2BZbiOR>)

¹⁶ LGA 16 November 2022: [Chancellor must act to protect local services from threat of spiralling costs](https://bit.ly/32yFaPC)

¹⁷ WBG (2018) Triple whammy: the impact of local government cuts on women (<https://bit.ly/33uSbJB>)

In the 2017/18-2018/19 Settlement, the Rate Support Grant (RSG) from central government declined by 65% as councils were forced into reliance on retained business rates, increased council tax, and increased charges for services and commercial investments.¹⁸ In 2019/20 councils had 23% - £300 – less to spend per resident than ten years previously. The most deprived councils had suffered 31% funding cuts, compared to 16% in the least deprived councils over the same period.¹⁹

In 2020 the new Government committed to ‘levelling up’ regional disparities under the re-named Department for Levelling Up, Housing and Communities. In that year, the LGA pointed out that £15 billion had been taken from core funding since 2010 and that no account had been taken of the increased cost of the new National Living Wage – amounting to £220 million for social care workers alone. It further commented that the use of precepts to raise social care revenue would generate uneven amounts across councils and represent a shift in the burden of social care funding to households, rather than general taxation.²⁰

The Local Government Finance Settlement for 2020/21²¹ was published in February 2020 – before the impact of Covid-19 was apparent. It resulted in a 0.2% cash increase after inflation for 85% of councils – the first increase since 2011-12. Despite this, the median funding level was still a third lower than in 2015/16, with just 75 of 343 councils seeing an increase in actual spending power.

The apparent growth in funding was dependent on council tax increases, a 2% social care precept and one-off grants for social care and ‘winter pressures’. The NAO pointed out that if council tax income was removed, spending power funded by central government had fallen by more than 50% in real terms between 2010/11 and 2020/2021, while council tax had risen by 16%. During the same period, the population had grown by 7% and the number of adults aged over 65 by more than 20%.²²

¹⁸ MHCLG (2019) Local government finance statistics England No. 29 2019 (<https://bit.ly/33W10j2>); MHCLG (2019) Local authority revenue expenditure and financing 2018-19 provisional outturn, England (<https://bit.ly/3hCQ819>)

¹⁹ IFS (2019) English local government funding: trends and challenges in 2019 and beyond (<https://bit.ly/3hCQ819>)

²⁰ LGA (2020) Motion relating to Local Government Finance Report (<https://bit.ly/32xcWov>)

²¹ Ministry of Housing, Communities and Local Government (2020) Final local government finance settlement 2020 to 2021: written statement (<https://bit.ly/3KNLNRv>)

²² National Audit Office (2021) [The Local Government finance system England: overview and challenges](https://www.nao.org.uk/publications/2021/the-local-government-finance-system-england-overview-and-challenges)

The impact of coronavirus on council finances

Covid 19 placed disproportionate care and domestic demands on women – especially working-class and BAME women²³ - and raised levels of domestic violence, reinforcing women’s need for reliable local government services – especially social care, housing, domestic violence services and childcare.²⁴ Combined with restricted services due to lockdown measures, these are still posing constraints on women’s access to support for themselves and their families – as well as local jobs and childcare.

Coronavirus also placed considerable additional demands for services on local authorities and their budgets as they provided more social care, personal protective equipment, housing for the homeless and for women facing domestic violence and emergency food and support for those facing income loss and enhanced poverty. An additional £1.2 billion was spent on adult social care alone between March and July 2020. Additional funding for private social care, leisure and transport providers was also required in some areas and councils were responsible for distributing funding to local businesses.

Local authorities faced reductions in non-tax income amounting to a forecast loss of £2.8 billion in 2020/21 due to the pandemic. They reported £2.1 billion losses in their sales, fees and charges, £523 million from commercial investment and £221 million from other income streams. They also forecast losses in council tax (£1.3 billion) and business rates (£1.6 billion) income for 2020/21.²⁵

According to CIPFA²⁶, total Covid-19 costs to councils by the start of July 2020 amounted to £7.4 billion – the equivalent of 13% of pre-crisis expenditure. Losses related to income derived from council-owned businesses added considerably to councils’ increased deficits. Moody’s Investor Services²⁷ said that local councils in the UK would be the hardest hit of the five largest EU economies.

²³ Women’s Budget Group et al (2020) First results from new study examining the impact of COVID-19 on working-class women in the UK published today (<https://bit.ly/3MOLqYV>)

²⁴ The Guardian (2020) Covid-19 crisis could set women back decades, experts fear (<https://bit.ly/2Fwz6vz>)

²⁵ NAO (2021) Local government finance in the pandemic (<https://bit.ly/3tYyQWx>)

²⁶ The Guardian (2020) English councils warn £500m Covid-19 cash injection will not stop cuts (<https://bit.ly/3iBFMTx>)

²⁷ Local Gov (2020) UK council finances ‘hardest hit in Europe’, claims Moody’s (<https://bit.ly/35Abi7H>)

Between April 2021 and March 2022, councils in England lost an additional £818 million in sales, fees and charges, over £290 million in commercial income and £65 million from other income sources. A further £540 million in council tax and £58 million in business rates were uncollected in this period. By March 2022, a cumulative £5 billion in council tax and £2.6 billion in business rates were owed to councils.²⁸

In light of the Covid-19 crisis, the 2021-22 Funding Settlement announced in February 2021 was of critical importance to councils. It represented a 4.5% (£2.2 billion) increase in core spending power. However, just 15% (£0.3 billion) of that was from central Government grants. The rest was from an assumed combination of 5% council tax increases (2%) and social care precepts (3%).

After inflation and population growth, the 2021-22 settlement still represented a 3% per capita funding cut compared to 2015-2016.²⁹ The LGA called it a 'sticking plaster' settlement, calling for urgent action on the Fair Funding Review, Business Rates, social care, post-Brexit and public health funding.

The proportion of Core Spending Power (CSP) comprised of council tax was slightly lower than in 2021/2022, but this was replaced by one-year grants for social care and other services. There was an additional £739 million in real terms in social care grants and £795 in general service grants. The increase in CSP was more varied than in previous years, perhaps reflecting the Government's 'levelling up' agenda. Some of the most deprived councils saw the smallest real terms decrease in central Government funding.³⁰

Cuts in so-called 'Red Wall' urban area budgets have been severe since the onset of austerity in 2010, compared to surrounding, largely rural county councils which nonetheless have also suffered major reductions in CSP. For example, between 2010 and 2021, North Yorkshire faced cuts of 15.6% compared to Bradford's 34.5% and Sheffield's 34%. Lancashire's budget was cut by 22%, while Knowsley, Manchester and Blackburn-with-Darwen faced reductions of over

37%.³¹ Most London boroughs, which contain some of the highest areas of deprivation in England, also faced cuts of over 35%, compared to 11% and 16.4% in surrounding Surrey and Kent.

The 2022/2023 Funding Settlement was a further one-year settlement. While the Core Spending Power³² of councils increased by 4.6% in real terms, the £16.8 billion of central Government funding from general taxation contained within it represented an average decrease of 1.8% on the previous year and was 30-50% below 2015/2016 levels.³³ The Settlement also assumed that all councils would raise their council tax by 2% - the maximum permitted without a local referendum - while the adult social care precept was reduced to 1% from 3%.

The 2022/2023 Funding Settlement also failed to adequately tackle what the Association of Directors of Social Services (ADASS) called the 'national emergency for adult social care' and the ongoing crisis in children's social care. ADASS pointed out³⁴ that there were over 105,000 vacancies in adult social care advertised on any given day and that over 400,000 people were waiting for a care assessment, for care to begin or for a review of their care plan. They called for an additional £1.5 billion in the Settlement and noted that only 2% of the Health and Social Care Levy would be transferred to care-providing councils in 2022/2023.

In its response, the Local Government Association³⁵ also noted the inadequacy of social care funding, called for clarity over the future use of the New Homes Bonus and expressed concern over the short-term nature of increased grant funding, which would be excluded from the baseline used to establish transitional support in any future change in the funding system. The LGA also noted that no funding or information about funding for public health services was included in the Settlement, while councils faced renewed demand for public health support in the wake of Covid-19.

The 2023/2024 Funding Settlement

²⁸ DLUHC 12 August 2022: [Local authority COVID-19 financial impact monitoring information](https://www.dluhc.gov.uk/news-and-events/news/2022/08/12/local-authority-covid-19-financial-impact-monitoring-information)

²⁹ IFS (Dec 2020) Assessing England's 2021-22 finance settlement (<http://bit.ly/3J1uq1C>)

³⁰ Ibid.

³¹ Ibid.

³² CSP comprises central government grant, council tax and business rate income, grants, income from sales, fees and charges and all other sources of income available to councils.

³³ House of Commons Library (2022) Local government finance settlement 2022-2023 (<https://bit.ly/3tfs6Mv>)

³⁴ ADASS (2022) Provisional local government finance settlement 2022-2023: ADASS Consultation Response (<https://bit.ly/3ifNPOd>)

³⁵ LGA (2022) Provisional local government finance settlement 2022/23 (<https://bit.ly/3u5b5ng>)

The 2023/2024 Funding Settlement, announced on 6 February 2023, was the fifth successive one-year settlement. The promised Fair Funding Review has been further deferred until 2025, which the LGA claims will further hamper financial planning and sustainability.³⁶ Despite the results of the 2021 Census being available, central Government grants remain calculated on 2011 data.

Total available funding (Core Spending Power/CSP), adjusted to 2022/2023 prices, will be £57.8 billion – an increase of £3.3 billion (6%). This represents an increase from £952 to £1,004 per person. Central Government (Settlement) funding from general taxation will increase on the same basis to £16.6 billion – an increase of £252 million (1.5%). Once adjusted for population growth, funding from central Government will rise overall by just 1.1% - from £285 to £288 per person, except in London boroughs and the GLA, where it will fall. However, although this small increase represents the first rise since 2016/2017, the benefits will not be evenly shared across councils.³⁷ Inflation and population growth over the period of the settlement are not factored in, except for the centrally funded element, which is now increased by CPI – not RPI as in previous years.

Increases in Council Tax and the Social Care Precept are built into the Settlement, further shifting funding for council services onto local taxpayers. The threshold for councils' ability to increase council tax without a referendum has risen from 2% to 3%, which will increase the overall council tax requirement by £2 billion. Care-providing councils will be expected to increase the social care precept from 1% to 2%. These thresholds will continue in 2024/2025.

The largest increase in CSP is in social care grants, which have risen by £2.2 billion. They comprise the assumed take from the Social Care Precept and a number of existing social care grants, including the Improved Better Care Fund, the Social Care Grant and Market Sustainability and Improvement Funding. An estimated £1.4 billion of the increase in care funding within the CSP will come from the Government's decision not to implement reform of the social care charging regime. While social care funding has increased, grants for other services have fallen by almost £1 billion.

The LGA has pointed out that the increased social care funding falls short of the £13 billion sought to meet increased demand and the statutory duties in the Care Act. Councils need an extra £1.6 billion each year – before inflation – to meet current need. It highlights the rising demand for children's social services, the 8.8% increase in adult referrals arising from Covid and the rising cost of services provided by private and independent providers: the cost of children's residential care rose by 57% between 2016 and 2021 alone, while the number of children in care increased by 15%.³⁸

No announcement has been made about public health funding, despite the increased need arising from the coronavirus pandemic. The LGA highlights the importance of public health services in mitigating the pressures on the NHS and social care and raises questions about promises of additional funding made in 2022/2023 for locally commissioned drug treatment, Family Hubs and Start for Life programmes.³⁹

Many public health functions and jobs were transferred from the NHS to local authorities in 2012. Since then, funding has been continuously reduced and in the wake of Covid-19, the government announced the end of the strategic body Public Health England.

Outsourcing

In addition to cuts, local government has long been the focus of central government policies requiring widespread commissioning and outsourcing of services.⁴⁰

Almost 14% of GDP – £251.5 billion per year – was spent overall on UK public procurement in 2017 and local authorities account for a large proportion of outsourced public services by value across all sectors.⁴¹ Procurement of services and goods accounted for 47% of local government expenditure in 2017-18 and rose by 7% in value between 2010-11 and 2017-18.⁴²

³⁶ LGA (2023) [Final local government finance settlement 2023/2024](#), House of Commons, 8 February 2023

³⁷ House of Commons Library (2023) [Local Government Finance Settlement](#)

³⁸ LGA (February 2023): [Final Local Government Finance Settlement 2023/2024](#)

³⁹ Ibid

⁴⁰ Starting with the Conservatives' Local Government and Planning Act 1980 and Compulsory Competitive Tendering

⁴¹ House of Commons Public Administration and Constitutional Affairs Committee (2018) *After Carillion: public sector outsourcing and contracting* (<https://bit.ly/2KIB7cw>)

⁴² Institute for Government (2018) *Government procurement: the scale and nature of contracting in the UK* (<https://bit.ly/2E2BaO2>)

Although local authority outsourcing has continued, there has been a slowdown in recent years, with contract award values falling by roughly 50% from £7.9 billion in 2021 to £4.4 billion in 2022.⁴³ 77% of councils surveyed by the Association of Public Service Excellence in 2019⁴⁴ intended to insource services and some councils – such as Barnet, Stoke and Oldham – have brought a raft of services back in-house.

However, 79% of social care jobs are outsourced⁴⁵ – largely to the private sector – while other forms of privatisation such as PFI, shared services and Public-Private Partnerships have resulted in large swathes of local authority workers finding themselves transferred involuntarily out of council employment.

Academisation of schools is continuing the outsourcing trend.

The impact of Brexit

Local authorities and UK Regions have received significant investment from EU Structural Funds to support business development and employment-related projects, totalling £5.3 billion.⁴⁶ Added to this is indirect EU funding in education, culture, policing and other areas of public life which supports UK communities and individual citizens.

The Government announced details of the UK Shared Prosperity Fund (UKSPF) to replace EU funding in 2022. It amounts to £2.6 billion over three years, with each lead local authority receiving at least £1 million. The three funding streams – designed to align with the Government’s ‘Levelling Up’ programme are: *Community and Place*, *Supporting Local Business*, and *People and Skills*. Councils had to submit local investment plans by August 2022.

The LGA has raised concerns about ongoing funding for existing EU-funded programmes and has highlighted the possible funding gap: For the financial year of 2023/24, there will be 54 programmes being delivered for which local government organisations are the direct recipients of ESF funding. Based on the average annual grant received for each programme, this represents at least £ 58.8 million of ESF funding

going directly to employment and skills programmes run by local government.⁴⁷

The impact on women

Women, particularly Black, Asian and Minority Ethnic (BAME) and disabled women have been disproportionately impacted by cuts to local government services and jobs because of their reliance on councils to provide social care and childcare, other services which support children and families and for paid employment.⁴⁸

This disproportionate impact is in part explained by the failure of central and local government to properly assess the gender and race impact of budgets and cuts: A 2020 study⁴⁹ showed that only 87 local authorities had carried out equality impact assessments or mentioned that they had given due regard to equal opportunities. Unitary authorities, London councils and metropolitan boroughs were more likely to have undertaken equality impact assessments than district and county councils. 47% unitary authorities, 43% London councils, and 39% metropolitan boroughs had complied, compared to 15% of district councils and 18% of county councils.

Despite the importance of local government as a source of employment and services for women, DLUHC’s Equality Statement on the 2023/2024 Finance Settlement noted that “local authorities decide how their resources are allocated. It is not, therefore, possible to say for certain how changes in funding will affect specific groups of persons sharing a protected characteristic”. It further stated that the main protected characteristic raised by councils in DLUHC’s consultation on the provisional settlement was age – highlighting the lack of awareness of the importance of local government for women at all levels of government.⁵⁰

Equality Impact Assessments should be the main way of ensuring that public bodies adhere to the Public Sector Equality Duty which requires them to have ‘due regard’ for the equality of people with ‘protected characteristics’ (age, disability, gender reassignment, race, religion or belief, sex, sexual orientation,

⁴³ LocalGov (8 February 2023): [Tussell Local Gov Quarterly Update: 2022 Q4](#)

⁴⁴ Guardian (May 2019) [Why councils are bringing millions of pounds worth of services back in-house](#)

⁴⁵ Skills for Care (2022) [The state of the adult social care workforce in England 2022](#)

⁴⁶ LGA (2019) £5.3bn EU cash countdown: regional aid funding to run out in 18 months (<https://bit.ly/32xGVgg>)

⁴⁷ LGA (2022) [Briefing on the Shared Prosperity Fund Prospectus](#)

⁴⁸ For more information see WBG (2019) Triple whammy: the Impact of local government cuts on women (<https://bit.ly/3mmy7S2>); WBG and The Runnymede Trust (2018) *Intersecting inequalities* (<https://bit.ly/2PFrb1N>)

⁴⁹ Adisa, O. and Costello, F. (2020) Equality impact assessments and equality responsiveness of budgets in English local authorities. University of Suffolk

⁵⁰ DLUHC (February 2023) [Final Local Government Finance Settlement 2023 -2024: policy impact statement](#)

marriage and civil partnership, and pregnancy and maternity). The failure of the Government to assess the impact of coronavirus on women led to calls for the Equality and Human Rights Commission to investigate this failure.⁵¹

Drastic reductions in funding, coupled with the impact of Covid-19 and the cost-of-living crisis, have already had – and will increasingly have – a severe impact on councils’ ability to provide services and support to women and children and vulnerable people.⁵² They also have a negative impact on the ability of other public services and the voluntary sector to function effectively. They are undermining prevention and leading to more crisis interventions by the NHS and other public services, particularly in poorer areas. These are often costlier and less effective in the long term.⁵³

Cuts have led to almost 1 million redundancies in councils across the UK between 2010 and 2022, while employment in central government and the NHS has risen.⁵⁴ There have also been severe cuts to pay and conditions for local government and school workforces in England since 2010 compared to other public sector groups, including a real-terms decline of 25% in pay and cuts to core conditions in 90% of councils.⁵⁵

The impact of Covid-19 on women’s lives – especially on working-class, disabled women and single mothers – was dramatic and exacerbated the effect of cuts since 2010.⁵⁶ The current cost and income crises are wreaking further havoc.^{57 58} Women – who were the vast majority of frontline workers tackling Covid-19 – are still bearing the brunt of domestic labour, childcare, home schooling and poverty. Meanwhile, services to support women as mothers and workers deteriorate. Ofsted data showed that between 1 April 2021 and 31 March 2022 there was a net overall decrease of 4,000 childcare providers in England, the largest decline in six years.⁵⁹ Poverty and discrimination during pregnancy remain rife⁶⁰ and domestic violence has escalated.^{61 62} Councils will need continuing, increased funding to respond effectively.

The future of local government funding

Funding remain way below its 2010 levels and the small increases in the 2023/2024 Settlement are dependent on increased council tax hikes and social care precepts, rather than increased central government support. In addition, the Government has further postponed its plans for the promised local government Fair Funding Review and councils are faced with ongoing financial uncertainty.

The Women’s Budget Group calls on the government to recognise the severe and gendered impacts of cuts to local authority funding since 2010 and undertake meaningful Equality Impact Assessments on all future finance settlements. We also call for plans to remove central government funding from local authorities to be scrapped. Councils too should carry out EIAs and highlight the impact of cuts on different groups of women. Dramatic reinvestment, not further reduction, is needed to stop these detrimental impacts on the lives of all women and girls, especially BAME, elderly and disabled women.

Recommendations

- Local government funding needs to be urgently restored to a level which enables councils to meet their statutory obligations and also provide the preventive, non-statutory services which are vital to the well-being of women, children and those in need of all forms of care.
- Meaningful equality impact assessments of local government funding levels and proposed cuts should be carried out by central government *and* local authorities.
- Adequate funding should come from general taxation/central government, at least at the same level as for other public services.
- The long-promised Fair Funding Review - based on the 2021 Census and other current data - should look at the totality of resources needed by

⁵¹ The Guardian (14 Feb 2021) EHRC urged to investigate ministers for ‘equality failures’ in Covid response (<https://bit.ly/3q6vG9O>)

⁵² LGA (2023) [Final local government finance settlement 2023/2024](#), House of Commons, 8 February 2023

⁵³ The IFS (2019) The health effects of Sure Start (<https://bit.ly/2HppqHq>)

⁵⁴ ONS (2019) Public sector employment UK (<https://bit.ly/3bYkHaj>)

⁵⁵ UNISON (2023) [2023-2024 NJC pay claim](#)

⁵⁶ WBG et al (2020) BAME women and Covid-19 – research evidence (<https://bit.ly/3hvUd12>)

⁵⁷ WBG (2022) [The Cost Crisis: A Gendered Analysis](#)

⁵⁸ WBG (2022) [The Income Crisis: A Gendered Analysis](#)

⁵⁹ The Guardian (September 2022) [‘I’ve never been so low’: the childcare providers facing closure over rising costs](#)

⁶⁰ Maternity Action (2022) [Cost of Living on Maternity Leave survey](#)

⁶¹ Maternity Action (2020) COVID 19: new and expectant mothers in the front line (<https://bit.ly/3bZWdgn>)

⁶² Women’s Aid (2020) A perfect storm (<https://bit.ly/3c3k6nu>)

councils, not simply re-distribution of the current pot.

- The distribution of central government funding should ensure that the most deprived council areas are properly funded to reflect the greater reliance of poorer people and women on local services. Current deprivation levels should be included in any future local authority funding formula to ensure genuine 'levelling up'.
- The shift to dependence on Business Rates and Council Tax should be reviewed, while giving councils greater autonomy and powers to generate local income.
- Funding to meet all current social care needs should be made available from general taxation, on the same basis as the NHS.
- Cuts to funding of voluntary sector women's services must be reversed at a minimum as part of a review of sustainable funding for the sector to support and protect women survivors/victims of sexual and domestic abuse.

- Decent pay and conditions for local government workers, commensurate with other public sector groups, should be ensured through adequate funding to councils and an end to privatisation as a means of cutting women's incomes.

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

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