



DEBATE PACK

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Effect of the Autumn Statement Measures on Women

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Summary

This debate pack has been compiled ahead of the Opposition Day debate on *The Effect of the Autumn Statement Measures on Women* to be held on Thursday 10 December.

The [Spending Review and Autumn Statement 2015](#) was published on 25 November 2015. It set out departmental spending totals for each year from 2015/16 to 2019/20. It also made several other policy announcements including:

- Reversing the changes to tax credit taper rates and thresholds that had been announced in the Summer Budget
- Introducing an apprenticeship levy for businesses with a payroll of over £3 million, from July 2017
- Various housing initiatives, including 400,000 new affordable housing starts by 2020

Please also see the Commons Library briefing papers [Summary of the Outcome of the Spending Review/Autumn Statement 2015](#), and [Women and the Economy](#).

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

Contents

1.	Press releases	2
2.	Reports	7

1. Press releases

Engender

A Gender edit of the UK Government Spending Review and Autumn Statement 2015

25 November 2015

This document is a 'gender edit' guide to the UK Government's Spending Review and Autumn Statement 2015. It includes all extracts that refer directly to women or gender, and selected policy announcements on social security that have significant implications for women and girls in Scotland. Confirmation of established decisions, for instance the triple lock on pensions and restrictions on child tax credit entitlements, are not included. Nor are gendered policy areas that are devolved to the Scottish Parliament, such as social care.

Text in italics denotes our own clarification or commentary. This is a point of departure in our gender edit series, which aims to facilitate access to information and let documents speak for themselves. On this occasion, however, the relevance to women's equality is not necessarily immediately clear.

1. EXTRACTS THAT REFER DIRECTLY TO WOMEN OR GENDER

Spoiler: There is no mention of gender in the Spending Review and Autumn Statement

Employment and earnings [p.8]

"The female employment rate [is] at a record high, with around 975,000 more women in work since the 3 months to April 2010."

VAT on sanitary products [p.40]

"While the government makes the case in the EU for a zero rate of Value Added Tax (VAT) for sanitary products, a new £15 million annual fund equivalent to the VAT raised each year on sanitary products will support women's charities. The government will make an initial donation totalling £5 million to support The Eve Appeal, SafeLives, Women's Aid and The Haven. Further donations and recipients will be announced at Budget 2016. The fund will run over the course of this Parliament, or until the UK can apply a zero rate."

Homelessness [p.42]

"To continue to protect the most vulnerable, the government will increase the funding available to invest in innovative ways of preventing and reducing homelessness, including:

- Providing £40 million for services for victims of domestic abuse, tripling the dedicated funding provided compared to the previous four years and complementing the wider violence against women and girls strategy.”

2. POLICIES THAT WILL IMPACT ON WOMEN AND GENDER EQUALITY
 Spoiler: Equality is not mentioned in the Spending Review and Autumn Statement either

The welfare cap [p.19]

- The commitment to an overall cap on ‘welfare’ spending will not be met over the coming years, due to the change of plans to cut tax credits. As twice as many women as men depend on social security, this will signal a temporary reprieve if it is approved by the House of Commons in due course. “

At the Autumn Statement, the government gives families longer to adjust to the higher wage, lower tax and lower welfare society, by not proceeding with the changes to the tax credit threshold and taper announced at Summer Budget 2015. As a result the OBR’s assessment is that the cap is not met in 2016-17, 2017-18 and 2018-19.

The government has taken action to ensure the cap is met in the medium term, and the government will retain the welfare cap at the current level. [...] Welfare spending within the cap is still set to fall by 1% of GDP over the welfare cap period – consistent with the 1% fall forecast at the Summer Budget.

In line with the requirements of the Charter for Budget Responsibility, and consistent with the Parliamentary accountability for welfare spending intended by the cap, the government will bring forward a debate on a votable motion in the House of Commons.”

A lower welfare society [pp.35-36]

Self-employment

- Women’s self-employment has risen enormously in recent years, accounting for 88% of newly registered businesses in 2014. The Minimum Income Floor policy is based on unrealistic assumed earnings, so increasing the threshold needed to access financial support will penalise these women.¹

“The Spending Review and Autumn Statement uprates the individual threshold in the Minimum Income Floor for the self-employed in line with the [National Living Wage] instead of the [National Minimum Wage].”

Housing

- Around 55% of the housing benefit caseload is accounted for by single women, compared with 25% for single men. Cuts to the housing support budget are therefore gendered, although the extent to which the particular policies below will impact on women is not yet clear. Discretionary Housing Payments, and therefore policy over supported

¹ Engender (2015) [A widening gap: women and welfare reform](#)

accommodation will be devolved to the Scottish Parliament within the Scotland Bill.

“The government will:

Cap the amount of rent that Housing Benefit will cover in the social sector to the relevant Local Housing Allowance, which is the rate paid to private renters on Housing Benefit. This will include the Shared Accommodation Rate for single claimants under 35 who do not have dependent children. This reform will mean that Housing Benefit will no longer fully subsidise families to live in social houses that many working families cannot afford, and will better align the rules in the private and social rented sectors. It will also ensure that Housing Benefit costs are better controlled and will help prevent social landlords from charging inflated rent for their properties. This will apply to tenancies signed after 1 April 2016, with Housing Benefit entitlement changing from 1 April 2018 onwards. [...]

“Additional Discretionary Housing Payment funding will be made available to local authorities to protect the most vulnerable including those in supported accommodation.”

A society that works: full employment [p.37]

Conditionality

- Lone parents are already amongst those most targeted by conditionality and affected by sanctions. 95% of lone parents on income support are women. It is not clear how increased conditionality regarding JSA will fall, but welfare reform policies to date have not taken women’s caring roles into account.

“The Spending Review and Autumn Statement announces further measures to support people into work:

Doing more at the start of a JSA claim to stop people starting a life on benefits – requiring jobseekers to attend the jobcentre weekly for the first 3 months and bringing forward the more intensive support element of the Help to Work programme currently in place for the long-term unemployed.”

http://www.engender.org.uk/content/publications/1448551496_Gender-edit-UK-Government-SR-and-Autumn-Statement-2015.pdf

HM Treasury

Impact on equalities: analysis to accompany Spending Review and Autumn Statement 2015

25 November 2015

Gender

2.6 The government is committed to pursuing full, genuine gender equality, including by enabling women who want to be in work find employment.

2.7 Building on reforms to childcare during the last Parliament, the government will double free childcare from 15 hours to 30 hours a week for working families of 3 and 4 year-olds, worth up to £5,000 per child per year from September 2017, and will invest over £1 billion more a year by 1 Ipsos MORI, 28 October 2015 6 2019-20 on free childcare places for 2, 3 and 4 year-olds. This will help parents, particularly women, return to work.

2.8 The government recognises the need to ensure that current spend on support for victims of domestic violence, many of whom are women, is secure over this Parliament. The government is therefore committing at the Spending Review and Autumn Statement to spend £10 million per year on domestic violence interventions, including refuges, to support a sustainable funding strategy which looks at victims' needs in their entirety. The government will also set up a new fund equivalent to the total amount of VAT paid on sanitary products, to provide additional support to women's charities over the course of this Parliament, or until the UK can apply a zero rate of VAT for sanitary products.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479720/Impact_on_equalities_SRAS_2015_final_25112015.pdf

Fawcett Society

A Mixed Bag for Women and Gender Equality

25 November 2015

Responding to the Comprehensive Spending Review, Sam Smethers, Chief Executive of the Fawcett Society declared it to be "A mixed bag for women and for gender equality."

"The Chancellor's tax-credit U-turn is a win for women, particularly those on low incomes and single parents who would have been hard-hit but those changes but universal credit changes are to go ahead so effectively families and women in poverty will still lose out when those changes are implemented. It is also important to remember that child tax credits will still be restricted to the first two children, hurting larger families and those in poverty."

"Some older women also benefit from the pensions triple lock but important to remember that in 2016/17 just 22% of them will get the full £155 single tier pension."

"£6billion for childcare is v welcome but note the 30 hours free childcare offer is now limited to those working over 16 hours per week. It is unclear exactly how this £6billion will be allocated."

"Extra conditionality for job-centre plus is a worry our "Where's the benefit?" research shows that increased conditionality works against women with caring responsibilities."

"Older women and carers still hit hard by significantly under-funding social care. The council tax increase of 2% will barely scratch the

surface of what is needed. It is wrong to put additional pressure on cash-strapped communities when to patch over already underfunded services.”

“The tampon tax give away for vulnerable women’s services is very welcome but let’s not stop there. The Chancellor should also invest other money in women’s services. Many of the services they rely on are being severely cut back at local level.”

“Good to see focus on apprenticeships but he has missed the opportunity for a 50:50 target on gender equality in STEM industries. Vital if we are to get more young women in to non-traditional roles.”

<http://www.fawcettsociety.org.uk/2015/11/mixed-bag-comprehensive-review/>

2. Reports

Women's Budget Group

The impact on women of the Autumn Statement and Comprehensive Spending Review 2015: Still failing to invest in women's security

8 December 2015

The Chancellor in his opening remarks to the Autumn Statement and Spending Review 2015 promised to 'put security first' and to 'leave to the next generation a stronger country than the one we inherited'. Yet with further cuts to the social infrastructure that will see public spending, as a proportion of national income, fall to nearly its lowest level since the war, the daily lives of many will be increasingly insecure.

Yet again women stand to lose the most, and gain the least. The Chancellor has reiterated his commitment to delivering a budget surplus by 2019/2020 and to achieving this largely through expenditure cuts, which, our analysis shows, disproportionately impact women and those on low incomes, such as lone parents and female single pensioners.

The main points of this analysis are:

- Overall fiscal targets and public spending priorities: commitment to achieve a budget surplus based on uncertain economic forecast and entrenched spending cuts.

As expenditure as a share of GDP is set to be cut to its second lowest level since the end of the Second World War, even protected budgets such as health and education will see a fall in proportion of GDP. This is despite a commitment to increase the health budget over and above inflation, using savings elsewhere in public services. Further spending cuts were not a necessity to achieve such surplus. The total £24bn annual savings by 2019-20 in public services and social security spending are equivalent to the annual foregone revenue from the successive increases in the Personal Tax Allowance and other changes to the income tax bands (£18bn) and cuts in fuel and alcohol duties (£8bn) since 2010.

- No thorough gender impact assessment.

The assessment produced along the Spending Review fails to adequately analyse the impact of social security and public service spending cuts on women despite existing methods that are straightforward to use. WBG own analysis shows that lone mothers and single female pensioners are set to lose most from the Spending Review decisions over this Parliament, having already lost most from cuts announced in the previous Parliament. In total, their living standards will be down by 10% in 2020 due to real term cuts in public services, compared to just over 2% for couples without children.

- Employment is up, but there are concerns about the quality and pay.

The record high employment rate for women, including largest rise in full-time employment in the last three years, hides more entrenched gender inequalities. Unemployment has fallen less for women than for men since the recovery and is still higher than its pre-crisis level. Women still make up a majority of part-time employment, especially involuntary part-time, as well as temporary employees. They account for the largest share of the increase in self-employment since 2008, especially among lower paid occupations. The gender wage gap is down but has risen in the public sector since 2011. As earnings are still below their 2011 levels in real terms, the narrowing of the gender gap in pay is a story of continued downward convergence between men and women.

- Social security cuts failing families' opportunities and security.

The July 2015 Budget has set out the details of the annual £12bn social security spending cuts to achieve by 2019-20. The claim of a reversal of cuts to tax credits announced in this Autumn Statement are merely just down to 3 postponing the full impact as tax credits will be replaced by universal credit by then, to which the July Budget cuts still fully apply. Even the implementation of the higher National Living Wage will not do the trick as those who would benefit are not the same as those who would lose out. Women again take on the lion's share of the changes in tax-benefit policies. Of the £16bn net cumulative revenue in spending cuts and tax rises announced since the 2015 election, 75% will be borne by women. Over the entire ten-year period of austerity, women will have borne 81% of the consolidation in personal tax rises and cuts to social security spending between 2010-2020.

- Devolution will disadvantage poorer areas with the greatest needs of public services.

The big revolution in allowing councils to raise more of their revenue locally, in particular by earmarking council tax rises to fund social care services is bound to increase inequality in service provision as poorer areas with correspondingly greater needs of adequate public services will struggle to fill the gap left by withdrawal of central government funding. Even in the maximum scenario envisaged in OBR predictions, councils would at best manage (on average) to raise as much funding for local services as they currently do, despite already failing to meet current needs adequately.

- Social care will still receive inadequate funding.

Changes to the system of funding for local government is perhaps the main issue of this Spending Review as far as social care services are concerned. A stealth blow to the provision of decent and high quality services, with major providers already on the verge of withdrawing from the market for lack of sufficient funding. The additional £3.5bn earmarked in this Review (from extra funding going to the Better Care Fund and the maximum potential £2bn from the 2% precept rise in the council tax) fail to compensate drastic cuts in central government funding and would hardly match the £8bn additional funding need that would be required by 2019-20 simply to match current delivery. Women again are set to suffer from the lack of proper investment in this part of

the social infrastructure as primary unpaid caregivers who have to step in when services fail.

- Increased childcare provision is welcome but leaves many behind: the additional 15 hours of free childcare will only be available to those working a minimum of 16 hours a week at the National Living Wage (as will tax-free childcare), making it more difficult for many mothers to benefit, especially if they are young. Although the additional funding is welcome in principle, especially as it intends to increase the subsidy rate per place, overall public spending on childcare (including help with tax credits/UC) will remain roughly the same in proportion of GDP as it is now, thereby failing to achieve the ambition of investing in Britain's future claimed by the Chancellor.

- Education - from public debt to private debt, and still no measures to address gender segregation.

The further and higher education announcements were dominated by the removal of bursaries and grants, and their replacement with loans. This transfers responsibility (and risk) for funding education to individuals. Women, who are likely to earn less over their life-course, will be disproportionately impacted. The additional funding for apprenticeships, to be raised via a levy on employers, is welcome. However, it is disappointing that no measures have been put in place to tackle occupational segregation, which is marked in apprenticeships, and a significant contributor to the gender pay gap.

- Helping those at the margins of home ownership, not those most in need.

Housing was one of the main areas to benefit from investment in the Spending Review. However, this has been directed primarily at 'help to buy' schemes and 'starter homes' that will benefit those at the margins of home ownership. While providing individual gain for some, these measures will not solve the housing crisis. Women predominate in the socially-rented sector and, as such, are less likely than men to benefit from these schemes. In fact, coupled with the cuts to housing benefit and reductions in the grants to housing associations, women are more likely to see their housing situation get worse, rather than improve, as a result of the Spending Review.

- Still failing to adequately invest in safer lives for women

While the Chancellor announced that domestic violence services would be among the beneficiaries of the 'tampon tax' and would additionally receive a dedicated £10m a year, this amount remains inadequate for services that have been hard hit by successive cuts. Worse still, some of the 29% savings extracted from the DCLG in this Spending Review could translate into further cuts to VAW services, despite the new funding announcements. Along with other commentators, we are also deeply concerned by the hypothecation of the 'tampon tax' for women's charities, particularly those related to domestic violence. Tackling domestic violence should be the responsibility of all in society. Using tax revenues from the sale of female sanitary products makes the funding of these services both symbolically and literally the responsibility

of women, rather than the State or the men who are the main perpetrators of the violence.

Far from providing for 'security', the announcements in the Spending Review undermine the social infrastructure – social security, health, education, and care systems – that, when properly resourced, acts as a vital safety net. Women, as this briefing shows, are again bearing the brunt of the cuts.

Pursuing deficit reduction in this way is a political choice, not a necessity. As the Women's Budget Group has shown in successive briefings, there are alternatives that can lay the foundations for economic and social security. These requires a rebalancing to ensure that revenue is raised from those who can most afford to pay, rather than from those in most need, and public investment in a social security system and public services that can deliver a better future for all.

http://wbg.org.uk/wp-content/uploads/2015/12/WBG_CSR_FullResponse_final_8Dec15.pdf

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