



DEBATE PACK

Number CDP-2016/0251, 13 December 2016

Effect on equality of the Autumn Statement 2016

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Summary

MPs will debate the effect on equality of the Autumn Statement 2016, on Wednesday 14 December 2016. This will be an Opposition Day debate. This House of Commons Library briefing provides a background summary and also press and parliamentary coverage.

The Chancellor gave his [Autumn Statement](#) on 23 November 2016. The Library briefing [Autumn Statement 2016: a summary](#) provides a brief overview of the key announcements.

The motion being debated in the Opposition Day debate references research which suggests that the majority of the net savings the Treasury has made since 2010 through tax and benefit changes will come from women. The motion also mentions research which suggests that the incomes of black and minority ethnic women are being particularly effected.

The Opposition are calling for the Government to conduct an assessment of the cumulative impact of its policies on women since 2010.

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.

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1. Background

1.1 The Autumn Statement 2016

The Chancellor gave his [Autumn Statement](#) on 23 November 2016. The Library briefing [Autumn Statement 2016: a summary](#) provides a brief overview of the key announcements, which included:

- reducing the Universal Credit taper from 65% to 63% from April 2017. This means once claimants earn above the work allowances in Universal Credit they will be able to keep more of what they earn
- increasing the National Living Wage to £7.50 in April 2017
- freezing fuel duty
- increasing the standard rate of insurance premium tax from 10% to 12% from June 2017

There was one measure in the Autumn Statement that is specific to women: £3 million of receipts raised from VAT on sanitary products will be awarded to Comic Relief to distribute to women's charities.¹

1.2 The motion being debated

The motion being debated includes reference to analysis from the House of Commons Library for Labour and from the Women's Budget Group. It also calls on the Government to conduct an assessment of its policies on women since 2010:

That this House notes with concern the disproportionate impact of the Government's policies on women; further notes that, as a result of proposals in the 2016 Autumn Statement, 86 per cent of net savings to the Treasury through tax and benefit changes since 2010 will come from women, according to the House of Commons Library; notes with concern analysis from the Women's Budget Group which states that by 2020, in every income group, black and minority ethnic women will lose the greatest proportion of their individual income and that low income black and Asian women will lose around twice as much money as low income white men as a result of tax and benefit changes; and calls on the Government to affirm its commitment to ensuring that women and protected groups are not disproportionately affected by tax and benefits changes, to conduct an urgent assessment of the cumulative impact of its policies on women since 2010, to take the necessary remedial steps to mitigate any disproportionate burden of tax and benefits changes on women, to publish a full equality impact analysis with the 2017 Budget and to develop and publish a gender equality strategy to improve the position of women over the remainder of this Parliament.

Labour's analysis conducted by the House of Commons Library

The motion refers to analysis carried out for Labour by the House of Commons Library which estimated that 86% of the Treasury's savings from tax and benefit changes since 2010 will come from women. The analysis was commissioned by Labour, based on a methodology created by Yvette Cooper MP in 2010.

The analysis takes each of the direct tax and benefit policy changes affecting individuals since 2010 and apportions the Treasury's estimates of the cost according to the gender breakdown of benefit recipients or taxpayers.

This method has been used by Labour on several occasions, including in 2010, [2015](#) and [2016](#). At Autumn Statement 2016 Sarah Champion, Shadow Secretary of State for Women and Equalities, posted on her website that:

"Research commissioned by Sarah Champion MP shows that women are faring just as poorly under Philip Hammond's Autumn Statement as they did under George Osborne's budget earlier this year.

As of the Autumn Statement yesterday, 86% of savings to the Treasury through tax and benefit changes since 2010 will have come from women.

This is an increase in the burden on women from the last Autumn Statement when the figure was 81%."²

Sarah Champion has since [published further information](#), including the below table:

Estimated gender impact of policy decisions affecting personal income

*Including changes to direct tax and benefits/tax credits spending
£ billions, nominal terms*

	Net savings in...			...of which apportioned to women		
	2010-15	2015-20	2010-20	2010-15	2015-20	2010-20
Measures announced in...						
Last Parliament	23.0	66.3	89.2	19.4	54.2	73.6
This Parliament		1.6	1.6		5.3	5.3
<i>Summer Budget 2015^a</i>		11.8	11.8		9.8	9.8
<i>Autumn Statement 2015^b</i>		1.4	1.4		0.8	0.8
<i>Budget 2016^c</i>		-6.8	-6.8		-2.6	-2.6
<i>Autumn Statement 2016^d</i>		-4.8	-4.8		-2.7	-2.7
Total	23.0	69.4	90.8	19.4	64.8	78.9
				84.5%	93.3%	86.9%

Notes Positive figures indicate savings to the Exchequer. (a) In-scope Summer Budget 2016 measures include changes to the Personal Allowance and Higher Rate Threshold, four year uprating freeze, benefit cap reduction, 2 child limits and removal of the family element from TCs, HB and UC, UC work allowance cuts, reduction in the TCs income rise disregard, end of automatic entitlement for out-of-work 18-21 years olds to HB, Pay to Stay, abolition of the ESA WRAC, UC parent conditionality changes and discretionary housing payments. (b) In-scope Autumn Statement 2015 measures include updated UC delivery schedule, uprating UC Minimum Income Floor with NLW and applying LHA rates to Housing Benefit claimants in the social sector. (c) Budget 2016 in-scope measures include changes to the Personal Allowance and the Higher Rate Threshold, the Lifetime ISA, Help to Save, changes to PIP aids and applications, benefit cap exemptions, implementing LHA rates to new tenancies from April 2017, capital gains tax changes and introducing a Pay to Stay taper. (d) Autumn Statement 2016 in-scope measures include not implementing Pay to Stay, not implementing changes to PIP, adjusting the roll out of LHA to social sector tenants in receipt of Housing Benefit and changing the UC taper rate to 63%.

² Sarah Champion MP; [Sarah Champion MP condemns cuts to women in Autumn Statement](#) (24th November 2016)

The fact checking organisation FullFact looked into Labour's claims in November 2013.³ Their conclusion is that the disproportionate impact of benefit changes on women is an artefact of the demographics of those in receipt of benefits. These are predominantly women.

Further discussion of Labour's method, alternatives to it and arguments against it are included in the Library's briefing [estimating the costs of tax and benefit changes by gender](#).

Women's Budget Group

The motion also refers to [analysis from the Women's Budget Group](#) (WBG). The WBG's research focuses on the impact of tax, benefit and public service changes by income, gender and ethnicity from 2010 to 2020. As the motion states, the research estimates that by 2020 black and minority ethnic women will lose the greatest proportion of their individual income in all income groups. It also estimates that low income black and Asian women will lose around twice as much money as low income white men.

The WBG's analysis simulated tax/benefit changes and public services against the policies in place prior to the Coalition government taking office in 2010. Changes up to and including Autumn Statement 2016 are included.

On 13 December 2016 the WBG also [published](#) a gender impact of Autumn Statement 2016. The report put changes announced in the Autumn Statement in the context of changes since 2010 and projects the impact forward to 2020. The analysis echoes the findings of the WBG research discussed above.

Government assessment of impact on women since 2010?

The motion calls for the government to assess the impact of its policies on women since 2010.

In 2011 the Institute for Fiscal Studies (IFS) – a think tank – [considered](#) how a gender impact assessment of tax and benefit changes could be made. The IFS concluded that an assessment for single men and women living in a household with no other adults was straightforward, but doing similar for women and men living in households with other adults was harder. It is harder to distinguish the impacts where there is more than one adult in the household.

The IFS [published some simple analysis](#) of tax and benefit reforms by sex alongside its assessment.

³ Joseph O'Leary (FullFact); [Are women more affected by tax and benefit changes than men?](#) (7 November 2013)

2. Press Articles

[Women will bear brunt of tax cuts and benefits changes, research finds: Changes since 2010 will have hit women twice as hard as their male counterparts by the end of the decade](#)

The Independent, November 20, 2016 Samuel Osborne

[Austerity hits women harder: 85% of the tax burden of government cuts 'falls on the shoulders of females'](#)

MailOnline, November 20, 2016, Jessica Duncan

[Austerity effect hits women 'twice as hard as it does men'; Tax and benefit changes since 2010 have increased equality gap](#)

The Observer, November 19, 2016 Sonia Sodha

[MPs call for inquiry into Treasury's refusal to reveal spending analysis: Women and equalities select committee says there has been a lack of transparency over impact of the 2015 spending review](#)

The Guardian, November 18, 2016, Damien Gayle

[Autumn Statement: Philip Hammond's speech at a glance; The key announcements from the Chancellor of the Exchequer](#)

The Independent, November 23, 2016, Scott D'Arcy

3. Press Releases

[Briefing: Gender impact of the 2016 Autumn Statement](#)

Women's Budget Group

13 December 2016

[WE respond to the Autumn Statement](#)

Women's Equality Party

23 November 2016

[AFS fails women who are just about managing](#)

Women's Budget Group

23 November 2016

[Fawcett release on the Autumn Statement 2016](#)

The Fawcett Society

23 November 2016

4. Parliamentary Material

Debates

Autumn Statement

[HC Deb 23 November 2016 v617 c899](#)

International Women's Day 2016

[HC Deb 8 March 2016 v607 c197](#)

Parliamentary Questions

[Equality](#)

Asked by: Butler, Dawn | **Party:** Labour Party

To ask Mr Chancellor of the Exchequer, if he will make an assessment of the implications for his policies of the equality impact analysis published on 25 November 2016 by the Women's Budget Group and the Runnymede Trust on the effect of the Autumn Statement 2016 on women and people from ethnic minority backgrounds; and what plans he has to respond to that publication.

Answering member: Mr David Gauke | **Party:** Conservative Party |

Department: HM Treasury

The Government carefully considers the equality impacts of the individual measures of fiscal events on those sharing protected characteristics, including gender, race and disability. In line with the Government's continued commitment to equality issues, these impact assessments will continue to inform the Government's policy decisions.

05 Dec 2016 | Written questions | Answered | House of Commons | 54930

[Sanitary Protection: VAT](#)

Asked by: Gray, Neil | **Party:** Scottish National Party

To ask Mr Chancellor of the Exchequer, what progress he has made on allocating money raised from VAT on sanitary products to women's groups; where that money has been allocated; and how local groups may apply for funding support.

Answering member: Mr David Gauke | **Party:** Conservative Party |

Department: HM Treasury

Initial donations from the sanitary products VAT women's charities fund totalling £5 million have been made to support The Eve Appeal, SafeLives and Women's Aid, and The Haven. Further donations and recipients will be announced at Budget 2016, and further rounds of donations will follow at future fiscal events.

Charities interested in applying should email the Treasury directly at Tampontax.Fund@hmtreasury.gsi.gov.uk stating their interest in the fund, including an overview of the nature of their proposal and the amount they are requesting. Following this they will be given further details of the bidding process and the detailed information required.

27 Jan 2016 | Written questions | Answered | House of Commons | 23768

[Charities: Females](#)

Asked by: Bruce, Fiona | **Party:** Conservative Party

To ask Mr Chancellor of the Exchequer, with reference to paragraph 1.144 of the Spending Review and Autumn Statement 2015, how women's charities can apply for some of the £15 million annual fund.

Answering member: Greg Hands | **Party:** Conservative Party |
Department: HM Treasury

Bids and nominations for donations from the sanitary products VAT women's charities fund can be submitted to HM Treasury by letter. The letter should set out the amount being sought and detail what it would fund. All representations will be given full consideration ahead of Budget 2016, and further rounds of donations will follow at future fiscal events. The fund will continue to run over the course of this Parliament or until the UK can apply a zero rate of VAT on sanitary products.

11 Jan 2016 | Written questions | Answered | House of Commons | 20576

[Child Tax Credit](#)

Asked by: Thewliss, Alison | **Party:** Scottish National Party

To ask Mr Chancellor of the Exchequer, with reference to Paragraph 2.103 of the Summer Budget 2015, if he will estimate the number of women who will be affected by the limit of child tax credits; and how many such women will be covered by exceptional circumstances.

Answering member: Damian Hinds | **Party:** Conservative Party |
Department: HM Treasury

The policy which limits the child element in tax credits and Universal Credit to two children, will only apply to those families with children born on or after 6 April 2017 or those making a new claim to Universal Credit after April 2017.

The Government will work closely with stakeholders on the details of implementation.

22 Jul 2015 | Written questions | Answered | House of Commons | 7734

[Income Tax](#)

Asked by: Baroness Lister of Burtersett | **Party:** Labour Party

To ask Her Majesty's Government what proportion of people whose earnings are too low to be affected by the increase in personal tax allowances announced in the Budget are women.

Answering member: Lord Deighton | **Party:** Conservative Party |
Department: HM Treasury

Since 2010 this Government has lifted over three million people out of income tax.

In the income tax years 2016-17 and 2017-18, it is estimated that, for individuals aged over 16, whose income would be below the Personal Allowance before the Budget announced increases, 66% are female and 41% of those individuals have dependent children.

These estimates are derived from the results of the 2012-13 Family Resources Survey (FRS) projected forward to 2016-17 and 2017-18 using economic assumptions consistent with the Office for Budget Responsibility's March 2015 economic and fiscal outlook.

26 Mar 2015 | Written questions | Answered | House of Lords | HL5926

[Public Expenditure](#)

Asked by: Jessica Morden | **Party:** Labour Party

To ask the Secretary of State for Wales what assessment his Department has made of the effect of Government spending reductions on women in Wales.

[148820]

Answering member: Stephen Crabb | **Party:** Conservative Party |
Department: Wales

In non-devolved policy areas UK Government Departments publish impact assessments and equality impact assessments which are available on their websites. Decisions on the allocation of the Welsh Block Budget is of course a matter for the Welsh Government who publish their own impact and equality impact assessments.

19 Mar 2013 | Written questions | Answered | House of Commons |
148820 | 560 c670W

[Employment](#)

Asked by: Mr Frank Field | **Party:** Labour Party

To ask the Secretary of State for Work and Pensions what projections his Department has made of future economic activity rates for (a) men and (b) women in each age decile group.

[108308]

Answering member: Chris Grayling | **Party:** Conservative Party |
Department: Work and Pensions

The Department does not make projections of activity rates as figures are already published by the Office for Budget Responsibility.

11 Jun 2012 | Written questions | Answered | House of Commons |
108308 | 546 c252W

[Budget \(Women\)](#)

Asked by: Moon, Madeleine | **Party:** Labour Party

Women in Wales are suffering and struggling with rising food prices, the rising cost of living and the rising costs of child care. In the most recent quarter, 4,000 additional women became unemployed. How many women in Wales will benefit from the reduction in taxation on high-level earners from 50% to 45%? Will that benefit women in Wales?

Answered by: Gillan, Cheryl | **Party:** Conservative Party | **Department:**
Office of the Secretary of State for Wales

Despite the recession, the employment rate for women remains historically high, at 65.3% now compared with 53% in 1971. Employment has fallen more sharply among men during the recession, so frankly it will be expected to rise more quickly as the economy recovers. This is, however, the fourth consecutive set of figures to show employment and economic activity rising in Wales, which I would have thought the hon. Lady would have welcomed.

25 Apr 2012 | Oral questions - 1st Supplementary | Answered | House of
Commons | House of Commons chamber | 543 c942-3

Committee Reports

[Equalities analysis and the 2015 Spending Review and Autumn Statement](#)

16 Nov 2016 | Parliamentary committees - Select Committee reports -
House of Commons papers | House of Commons | HC 825 2016-17

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