



WELFARE REFORM COMMITTEE

SCOTTISH GOVERNMENT'S DRAFT BUDGET SCRUTINY 2016-17

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INTRODUCTION

Engender welcomes the focus of the Welfare Reform Committee on women's equality as it scrutinises the Draft Budget 2016-17, and this opportunity to submit evidence.

Social security is a critical gender equality issue. A minimum income is necessary for women to enjoy an adequate standard of housing, health, and nutrition, to take part in their community, and to have sufficient autonomy to make decisions about their lives. When the UK Government's 'welfare reform' agenda began, women already experienced significant economic inequality. This is because:

- Women are more financially dependent on social security than men, with 20% of women's income coming from benefits and the tax credit system, compared with 10 per cent of men's.
- Women have fewer financial assets and less access to occupational pensions than men and there are considerably more women than men in the lowest income decile in the UK.¹
- 92% of lone parents are women, and women make up 95% of lone parents dependent on Income Support.²
- Women make up nearly 60% of care providers within the home and 64% of care providers in the wider community.³
- The gender pay gap in Scotland is 12% for full-time work and 32% for part-time work,⁴ signifying persistent and widespread differences in women's experience of the labour market.

As Committee members will be aware, Engender has worked in partnership with other women's organisations over the past two years to highlight the disproportionate impact of the austerity agenda on women, and the way in which it is undermining women's equality, wellbeing, and participation in Scotland.

Since the Welfare Reform Committee held its very welcome inquiry into women and welfare, the context for women has worsened. The House of Commons Library estimated that 70 per cent of the £34 billion worth of cuts announced in the UK Government's

¹ The Women's Budget Group (2013) [The impact on women of Budget 2013: a budget for inequality and recession](#)

² Engender (2012) [Multiple Jeopardy: The impacts of the UK Government's proposed welfare reform on women in Scotland](#)

³ *ibid*

⁴ Close the Gap (April 2015) *Working Paper 14: Gender Pay Gap Statistics*

'summer budget' will fall on women. The Spending Review and Autumn Statement brought further bad news for women: of the £16 billion net cumulative revenue in spending cuts and tax rises announced since the 2015 election, 75 per cent will fall on women⁵. The combined effect of this succession of spending decisions is starkly gendered. As the Women's Budget Group's analysis reveals, over the entire ten year period of austerity, women will have borne 81 per cent of the consolidation in personal tax rises and cuts to social spending. Our joint paper with other Scottish women's organisations, *A Widening Gap*, identifies the costs to specific groups of women: lone mothers, refugees, disabled women, unpaid carers and women experiencing domestic abuse face multiple and particularly extreme impacts as a result⁶.

In this context, it is critical that the Scottish Government and Scottish Parliament use the full breadth of their powers to mitigate the impact of 'welfare reform' on women, and to continue to respond to the ways in which 'welfare reform' is undermining women's equality.

QUESTIONS

Q1: Do you feel that the Scottish Government budget is being effectively used to mitigate the impacts of the social security reforms on women?

We do positively welcome the sustained mitigation funding, in the form of the Scottish Welfare Fund, and funding for local authorities to counter the 'bedroom tax', although have obvious concerns about the extent to which this will hedge increasing UK Government social security cuts.

We note the letter from Alex Neil of 23 September 2015, which sets out the Scottish Government's response to the Committee's inquiry into women and social security. In it, he says:

Unfortunately, mitigating the full impact of [UK Government] cuts will not be possible within the current devolution settlement, but we continue to do everything we can within the powers that we have to help those who are most affected by the cuts.

The narrative of Chapter 9: Social Justice, Communities and Pensioners' Rights amplifies this ambition with regard to the new social security powers that are coming to Scotland.

We want to go further than mitigation. We are committed to using our new powers over social security to tackle some of the deep inequalities currently present in Scotland, ensuring our investment in social security leads to better outcomes for individuals. In 2016-17 our spend will focus on the development of the foundations of our system⁷.

It is critically important that the development of new social security provisions, which is funded within this draft budget, is gendered. Engender has managed a small amount of funding this year that has enabled us, along with Refugee Women's Strategy Group, Inclusion Scotland, Close the Gap, and Scottish Women's Aid, to bring different groups of women together to discuss the future of social security in Scotland and the ways in which the current system is acting to undermine women's autonomy and equality. We have also

⁵ Women's Budget Group (2015) *The impact on women of the Autumn Statement and Comprehensive Spending Review 2015: Still failing to invest in women's security*

⁶ Engender (2015) *A Widening Gap: Women and welfare reform*

⁷ Scottish Government (2015) *Scotland's Spending Plans and Draft Budget 2016-17*

engaged with Scottish Government officials working around social security on equality impact assessment processes, and gender and social security more broadly.

The next budget and equality budget statement will be vital in moving from a narrative of aspiration to a substantive change of focus for social security. Engender is of the view that strengthening the equality budget statement to include gender budget analysis will be essential to this endeavour.

Engender has long joined the Scottish Women's Budget Group, Close the Gap, and other women's organisations in advocating for gender budget analysis to form part of the Scottish budget process. This would explicitly draw out the impact of different spending allocation decisions on men and women while the budget was being developed, and would enable gender-sensitive decision-making across spending portfolios. While we welcome the equality budget statement, and the work of the Equality Budgets Advisory Group in driving change within it, the current process falls far short of this. We recognise that this Draft Budget and Equality Budget Statement was developed within an exceptionally abbreviated timescale, but would suggest to the Committee that the incorporation of gender budget analysis within the budget process might helpfully be included within its report.

Q2: If required, could social security spending be redirected or reprioritised by the Scottish Government to reduce the disproportionate impact on women? How would this impact on other areas?

Q3: Could savings or efficiencies in this area be made by thinking differently or through better use of resources?

We have evidence that suggests ways that the Scottish Welfare Fund and Discretionary Housing Payments could be administered with greater gender-sensitivity, and in which the Scottish Government and local authorities could gather gender-disaggregated data that would inform better policymaking and delivery. We have shared these with Scottish Government and have submitted these in evidence to this Committee during its inquiry on women and social security. In addition to these practical steps for the administration of social security payments operating within Scotland's existing powers, attention must also turn to potential redirection and reprioritisation using the new powers coming to Scotland.

The Equality Budget Statement sets out actions that the Scottish Government has taken to identify a methodology that it might use for undertaking cumulative impact assessment, in which a suite of social security payments may be assessed for its differential impact on men and women. Engender is also at the early stages of developing work, with academic partners, that would simulate the impact of different types of benefits on women's incomes.

It is vital that capacity is quickly built within Scottish Government, the Scottish academy, and civil society to adequately model different options for social security and to consider their impact within the context of women's existing inequality.

There has been considerable incremental progress within the Scottish Budget in recognising the effects of women's inequality. However, we challenge the Scottish Government to go further in coherently linking portfolios within the budget that have a cumulative impact on

women who receive social security payments. These include: violence against women, employability, transport, women and the labour market, housing, childcare, and social care, among others.

Q4: Is the Scottish Government meeting its equalities outcomes in relation to its social security spending?

There are two Scottish Government equality outcomes that particularly relate to social security spending. These are:

Scottish Government directorates are by 2017 more confident in and better informed on equality and diversity matters and can engage with partners and stakeholders to effect change and improvement.

Women's position in the economy and in employment is improved in the long term and reflected more comprehensively in Scottish Government economic policy and strategies by 2017.⁸

'Welfare reform' has and will have a profoundly negative effect on women's lives, and on women's equality. Gains in women's equality that the Scottish Government has enabled are in danger of being rolled back without further mitigating action.

Ensuring that new social security powers are gender-sensitive, and gendering spend in other portfolio areas could ensure:

- That the gender pay gap does not widen, and that occupational segregation is not further entrenched;
- That children's poverty (which is women's poverty) does not deepen;
- That women are not placed at increased risk of domestic abuse with limited capacity to pursue their own safety; and
- That women are not excluded from community and public life.
- The next budget will be critical in translating Scottish Government's ambitions for women's equality into concrete spending proposals for social security.

⁸ Scottish Government (2015) *Equality Outcomes and Mainstreaming Report*
<http://www.gov.scot/Publications/2015/04/7781>