



# **Briefing**

# **Comprehensive Spending Review 2010**

November 2010

Understanding and supporting  
women and their organisations

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## **About the Women's Resource Centre**

WRC is a charity which supports women's organisations to be more effective and sustainable. We provide training, information, resources and one-to-one support on a range of organisational development issues. We also lobby decision makers on behalf of the women's not-for-profit sector for improved representation and funding.

Our members work in a wide range of fields including health, violence against women, employment, education, rights and equality, the criminal justice system and the environment. They deliver services to and campaign on behalf of some of the most marginalised communities of women.

There are over ten thousand people working or volunteering for our members who support almost half a million individuals each year.

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## **Introduction**

The Comprehensive Spending Review (CSR) is a process used by the government to set the budgets for all government departments over a fixed time period. This year's spending review will cover the rest of this parliament, from 2011/12 to 2014/15.

The coalition government often cites reducing the UK's national deficit, which was totalled as £0.5bn at the end of July 2010, as a key influence on its policy decisions regarding the economy and the CSR. The coalition aims to cut £81 billion of government spending by 2015.

Several of the key policies in the CSR were outlined in the Emergency Budget, set by the Chancellor George Osborne in June 2010. Analyses by groups such as the Women's Budget Group have shown that the Emergency Budget disproportionately affects women. The House of Commons library estimates that women will contribute up to £5.8bn in direct taxes and changes to the benefit system, compared to £2.2bn paid by men. After a campaign led by the Fawcett Society and Yvette Cooper MP (Shadow Minister for Women), we now know that the Treasury did not conduct a Gender Impact Assessment of the Emergency Budget before it was published.

This briefing will look at the key points of the CSR that may affect women and the women's voluntary and community sector.

## **Key headlines from the CSR**

### **1) An average 19% cut to all Whitehall departments**

All areas of government apart from health, education and international aid will be expected to take a cut in their budgets. The Department for Communities and Local Government budget will be cut by up to 51% by 2015 and there will be a 7.1% cut each year in funding to local authorities. Under planned reforms councils will have control over how they spend their budgets and there will be no ring-fenced funds apart from money allocated to education and health. £200m will be made available during 2011-12 to support councils to reform local services and an extra £1bn will be given to local authorities to allocate to social care services.

#### ***What does this mean for women?***

- The cuts and removal of ring-fenced funding is devastating for women's organisations across the UK who depend on funding from their local councils to survive. We know from our member's experiences that councils will go for 'low hanging fruit' when looking for things to cut, meaning the voluntary and community sector and women's organisations in particular will suffer.
- Acevo estimates that charities could lose up to £4.5bn funding due to the spending cuts.
- Cuts that local councils make to public services will lead to increased demand on the women's sector from women and families that need support.

## **2) At least 490,000 jobs to be cut from the public sector**

The government expects that Whitehall departments and local councils will have to cut 'back-office' jobs to stay within budget, estimating that just under 500,000 people will lose their jobs by 2015. However, some fear that the number is likely to be higher, with some front-line public sector workers losing their jobs.

### ***What does this mean for women?***

- Women make up 70% of local government and 65.5% of public sector staff, so they will be affected disproportionately by the cuts. Research commissioned by *The Independent* has estimated that 350,000 women in the public sector will lose their jobs, compared to 150,000 men.
- Women's organisations that work with women looking for employment will see increased demand that they will not have capacity to manage.

## **3) An extra £7bn to be cut from welfare**

The total amount that the government plans to cut from welfare is now £18bn by 2015. The government have already announced some of the ways they plan to do this, including, cutting child benefit to people earning more than £44,000 per year; limiting the Employment Support Allowance (ESA) for disabled people to 12 months; and capping welfare payments at £26,000 per year for all families.

### ***What does this mean for women?***

- The cuts to child benefits make life harder for working single mothers who earn enough money to be just over the £44k threshold.
- Women with large families that live in inner cities receiving benefits will suffer a sudden decrease in available funds.
- Disabled women are particularly vulnerable and being attacked from all angles due to cuts to their allowance, vital public services and support they can receive from women's organisations due to lack of funding for the sector.
- The increased financial pressure from these cuts, coupled with a growing shortage of adequate violence against women services could discourage women from leaving abusive relationships.

## **4) Housing benefit to be capped at a maximum of £400 per week**

Under reforms announced by Chancellor George Osborne, social housing rents will increase to up to 80% of the private market rate. There will also be a cap imposed on the amount of benefits given to those on low incomes to help cover the rent, from £250/week from a one bedroom property to £400/week for a four bedroom property.

The government estimates that 21,000 households will be affected by the cuts, 17,000 of which are in London. It also plans to use the money saved from these cuts to build 150,000 new affordable homes. Many MPs and the London Mayor

have expressed concerns that these reforms will push those on low incomes out of inner cities around the country, particularly London.

***What does this mean for women?***

- Women – many of whom work in low-income or part-time roles - will struggle to pay increased rents with fewer benefits, forcing many women and their families to move out to the suburbs. Public transport ticket prices are also set to rise by up to 24%, meaning that women on low incomes will find it harder to be able to afford to commute into the city to work.
- The increase in low-income families moving out of the city due to higher rents will put a huge strain on the limited number of public services available in the suburbs, which will in turn put pressure on the voluntary and community sector to pick up the extra demand for support.

**5) £470m fund for capacity building in the voluntary and community sector**

The government haven't yet specified how all of this money will be allocated, but £100m will be used to create a Transition Fund, supporting organisations who want to deliver public services. It also unclear whether this amount includes the money from dormant bank accounts that will be used to set up the Big Society Bank. Nick Hurd has announced that the Transition Fund will provide short-term funding to organisations with incomes between £50,000 and £10m<sup>1</sup>.

***What does this mean for women's organisations?***

- The voluntary and community sector would welcome any funding that the government plans to provide, but there are concerns over the lack of clarity regarding the funds that have been outlined in the review, particularly the Big Society Bank. It is also unclear how organisations will be able to apply to these funds. It is vital that the government consider long-term funding solutions to ensure the sustainability of marginalised voluntary and community organisations such as those in the women's sector.

**6) Police funding to be cut by 4% per year**

It is estimated that the real term funding cuts to the police service will actually hit 20% by 2015. Eight chief constables have said that this level of savings can only be met by cutting up to 11,500 of both civilian and front-line police jobs. The Home Office have already scrapped a review into how police handle rape cases to save money and the UK Border Agency's funding is also to be cut by 20%.

***What does this mean for women?***

- Less police could lead to less safety for women and slower responses to women who have experienced violence and go to the police. Less staff at the UKBA may impact on the Sojourner Project or any long-term solution for women who have suffered violence with no recourse to public funds.
- Scrapping the review into police treatment of women who have experienced rape was a vital step towards encouraging women to report

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<sup>1</sup> Third Sector, 20/10/10 (<http://thirdsector.co.uk/news/Article/1036214/Transition-Fund-will-available-charities-incomes-50k-10m/>)

incidences of violence to the police. It could also be indicative of the government's approach to recommendations from the Stern review and the VAWG strategy.

### **7) Retirement age for women to rise to 66 by 2020**

The previous government had planned to extend the retirement age for women to 65 by 2020, but the coalition have decided to accelerate this process and increase the retirement age for both men and women, saving up to £5bn.

#### ***What does this mean for women?***

- The state pension age increase to 66 will cost some women up to £15,000 in lost income from their pensions. This will exacerbate the existing inequality for older women, who are more likely than men to be poor in old age: about two-thirds of the 2.1 million pensioners living in poverty are women. This again will put a strain on organisations already facing cuts that work with older women living in poverty.