



Scottish
Women's
Budget
Group

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Written Briefing for the Social Justice and Social Security Committee

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Introduction

The cost-of-living crisis is gendered and impacts will not be felt equally. Those on the lowest incomes will be hardest hit by the cost-of-living crisis and women are more likely to be poor, have lower levels of savings and wealth and be less able to increase paid work than men due to caring responsibilities. Particular groups of women will be hardest hit with poverty rates higher for Bangladeshi, Pakistani and Black ethnic groups, disabled people, single parents, survivors of abuse, unpaid carers and women with no recourse to public funds.¹ As the UK Women's Budget Group has found women are also often the shock absorbers of poverty, tending to have the main responsibility for the purchase and preparation of food for their children and families and for the management of budgets in poor households.² Responding to the cost of living crisis must include an intersectional gender analysis of proposals to understand how they affect women and men differently, and the impacts on different women. To ensure that the responses can be targeted to tackle inequalities and not further entrench them.

In February and March 2022, the Scottish Women's Budget Group ran a survey targeting women which received 425 responses. This survey focused on women's local public spending priorities. It was clear from the responses that the cost-of-living crisis was an issue of key concern. Thirty-two per cent of those who responded said they were unable to manage energy costs before the latest increase on 1 April, and concern about future rises in energy bills was already impacting on people's household spending.³

In open response questions women highlighted the stark challenges they were facing: rising energy prices for carers and those with disabilities who are unable to reduce the heating without impacting their health; covering travel expenses to care for family members outside their household; choosing between heating and eating. Numerous women also highlighted their concern that they were unable to afford any extras to cover new clothes or outings. When asked to share their top 3 priorities for local action, anti-poverty measures were highlighted as the biggest priority for women who responded to the survey.

SWBG is now working with the Poverty Alliance on qualitative research considering the impact of rising costs on women on low incomes. The research is still underway and further updates will be shared with Committee members when they are available. Key themes that are emerging from interviews (interviews conducted in July and August) are that women are already taking regular coping mechanisms like

¹ Women's Budget Group (2022) 'The gendered impact of the cost of living crisis'

² Women's Budget Group (2005) 'Women's and children's poverty: making the links'

³ SWBG (2022) Women's Survey Results

cutting off heating, reducing hot water usage for – showers and cleaning dishes etc, skipping meals– this includes women with health conditions for whom these types of coping mechanisms may have a bigger impact on physical health; all those sharing their experiences are highlighting mental health impacts including stress and anxiety; isolation/cutting off from others and feelings of stigma and shame; food, energy, transport, caring costs have all been highlighted as challenging to meet; rising debt is also emerging as an issue and challenges accessing services and systems.

How will the spending allocations for 2023-24 set out in the Spending Review impact on poverty?

The Resource Spending Review (RSR) sets out prioritisation of spend in a range of areas. Health, social care and social security are all critical areas that can directly impact on gender inequality. However, there is a need to embed human rights and equality as an overarching priority for Scotland's public spending and revenue raising decisions. It would also be wrong to assume that the prioritisation of these areas will address the problems related to the chronic underinvestment in social care or the impact of the cost of living crisis for those on universal credit and legacy benefits. As we enter a phase of high inflation and rising costs ongoing analysis will be needed as to how much investment is allocated on the priority areas in the forthcoming budget and how this compares to level of need.

Commitments on the Scottish Child Payment, Carers Allowance Supplement and Disability payments are all vital to supporting people on low incomes. These rates will need to continue to be monitored over the course of the spending review and for the 2023-24 Budget. Inflation has already surpassed the 6% rise in social security payments delivered in Scotland set at the start of the 2022-23 financial year.

Commitments to spending on social care have the opportunity to impact on poverty but there is not enough detail available within current documentation of how this additional funding will be spent. For example, investment in care could continue to bring rises in wages for the workforce, the majority of whom are women and have been working in low paid conditions for years. Another example is that investment in social care could reduce some unpaid care support that is relied on, again the majority of which is provided by women, this may allow some unpaid carers to increase paid work. Even before the full impacts of the rising cost of living take full effect, surveys suggested that more than half (52%) of unpaid carers for those with additional support needs are unable to manage their monthly expenses.⁴ Additionally, investment in care could reduce care charges that people face when seeking support, in turn reducing barriers to access. With over a quarter of the people in receipt of social care support living in the most deprived areas and unpaid carers in these areas are more likely to care for longer periods of time, how care is invested in can impact on poverty.⁵

⁴ Carers Scotland: <https://www.carersuk.org/scotland/news/pushed-to-the-brink-financial-pressure-on-unpaid-carers-unsustainable>

⁵ Scottish Government, National Care service Fairer Scotland Duty Assessment (21 June 2022): <https://www.gov.scot/publications/national-care-service-fairer-scotland-duty-assessment/documents/>

The Scottish Women's Budget Group is currently undertaking research with experts in the field of care cost modelling. Through this research we aim to demonstrate the overall costs of a quality, universal adult social care service. Considering different options in terms of amount of care available to individuals and meeting existing unmet needs, as well as, terms and conditions for those working in care. This research will be published in October and shared with Committee members.

Our findings are likely to demonstrate the need to invest significant further resources to develop a social care system that meets the ambitious rhetoric. This is necessary due to the historic undervaluing of care and lack of investment across the care system. However, there are also opportunities to make savings or to ensure that investment stays within the care service and is not extracted as profit, making better use of public funds. To have a transformational impact it is likely that further investment in social care will be needed over the course of the RSR period and in turn this could continue to impact of the people's experience of poverty.

If you think there are measures in the RSR that could increase poverty – what can be done to prevent this.

Flat rate cash investment in Local Government spending means a real term cut of 7% by 2026-27.⁶ Local government is responsible for delivery of numerous front-line public services which impact women and men differently. Investment, or lack of investment, in these services can serve to tackle or entrench inequalities and poverty. The real terms cut to local authorities will lead to a weakening of services at local government level. This cut in funding will have an impact on women both as service users and as workers within local authorities. Cuts to local authorities is likely to reduce the role in preventative spending measures as services are cut back. It is not clear from the RSR of the full assessment process for decision-making, including the impact of flat rate cash investment in Local Government spending.

Spending in early years and childcare remains static until financial year 2026-27. A recent report by Save the Children and the Joseph Rowntree Foundation has highlighted the need for reducing the cost and increasing the availability and flexibility of funded childcare spaces as part of the solutions to tackling child poverty.⁷ In the SWBG Women's Survey 62% of responded who accessed the 1140 funded hours said it only partially met their needs.⁸ Static investment in childcare for a number of years is a risk. The Scottish Government has committed to publication of a Strategic Childcare Plan in the near future. How this plan is funded is critical to build upon the recent increases in funded hours and to make sure the system works, particularly for families in poverty.

What level of analysis do you expect to see in the 2023-24 Equalities and Fairer Scotland Budget statement?

⁶ Fraser of Allander Institute (2022) First Spending Review in a decade provides welcome insight on Government priorities, and highlights scale of challenge facing public services

⁷ Save the Children and Joseph Rowntree Foundation (2022) Delivering for Families?

⁸ SWBG (2022) Women's Survey

The Equality and Fairer Scotland Budget Statement (EFSBS) should act as a way of documenting the analysis that informs the budget decisions providing a clear relationship between how decisions in the budget are driving towards the National Performance Framework. This would serve again to make the relationship between equalities analysis, impact assessments and decision-making more transparent to the public. What is critical is that the process of producing the EFSBS is used to inform decision-making and not conducted at the end of a decision-making process and made to fit a decision already taken. Unfortunately, it often seems that equality and human rights considerations are an add-on in policy considerations rather than part of the central framework for analysis.

Currently, there is a lack of transparency about how Equality Impact Assessments (EQIAs) and Fairer Scotland Duty Assessments are used within the budget process. There has not been consistent publication of the impact assessments by all government departments in previous years EFSBS so it is not possible to fully scrutinise the process of analysis that goes into producing the statement. The publication of the RSR also lacked transparency on the impact assessments that were conducted through the RSR decision-making process. However, the RSR did commit to publication and easy access to EQIAs from this coming budget onwards. The Committee should look to scrutinise these publications and ensure Government commitments are met in the materials published alongside the draft budget.

The Equality Budget Advisory Group has provided analysis and recommendations on equality and human rights budgeting for 2021-2026 parliamentary session. These recommendations can be found: <https://www.gov.scot/publications/equality-budget-advisory-group-recommendations-for-equality-and-human-rights-budgeting---2021-2026-parliamentary-session/pages/introduction/>

The recommendations within this report include concrete action to improve analysis and quality within impact assessments, how they are used in decision-making and the culture across government and parliament in valuing the role played by equalities and human rights analysis in the budget process.

The Scottish Government is expected to respond to these recommendations this month and SWBG recommend this Committee scrutinises this response and the actions committed to within it to further consider requirements for analysis within the EFSBS.

There is a lack of connecting analysis between the EFSBS, the Programme for Government and critically the National Performance Framework which sets out Scotland's priorities as a nation. SWBG recommends that the EFSBS joins up particularly with the NPF to demonstrate how budget decisions contribute to Scotland's nationally agreed outcomes. This would also serve to support greater evaluation of the budget decision making process with additional analysis looking at how spending improves progress towards the national outcomes.

SWBG believes that this evaluation of decision making is currently missing, or not clearly available to the public, and there is need for improved processes to build evaluation and reporting on this into the budget process. Again, the

recommendations set out by EBAG include recommendations on the process of the budget which would allow for greater understanding of the impact of past spend and budget allocations. Including, in-year reports, a mid-year review and work with public authorities funded through the Scottish Budget to develop processes to report impact of spend.

For more information please contact:

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