

Local government and gender

Briefing for a new government



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A briefing from the Women's Budget Group - 2024

Summary

- Councils' spending power has fallen by 26% since 2010. In real terms, councils' core funding has fallen on average by 18% per person since 2010. When adjusted for inflation and population growth, the final 2024-2025 Funding Settlement for Local Government results in lower funding levels for all councils than in 2015/16.
- Increased dependency on council tax has hit the poorest local authorities hardest. Overall, the most deprived councils have had lower increases in core spending power than the wealthiest councils since 2011/12. In the most deprived tenth of councils, funding per person has fallen by 35%, compared to a 15% fall in the least deprived tenth of councils¹.
- Local authorities face a funding gap of £6 billion in the next two years, Women and girls – particularly Black, Asian and Minority Ethnic and Disabled women – have been hit hardest by spending cuts and depend disproportionately on local authority and care services because they still do most of the unpaid child/care work and rely on local services to support themselves and their families.
- Women also make up 75% of local government and school workers - affected by pay cuts and redundancies.
- For more information about the impact of cuts to local government services on women see WBG (2019) [Triple whammy - the impact of local government cuts on women](https://bit.ly/3mmy7S2) (<https://bit.ly/3mmy7S2>)

Recommendations

- Local government funding needs to be urgently restored to a level which enables councils to meet their statutory obligations and also provide the preventive, non-statutory services which are vital to the well-being of women, children and those in need of all forms of care.
- Meaningful equality impact assessments of local government funding levels and proposed cuts should be carried out by central government and local authorities.

¹ IFS (2024) How have English councils' funding and spending changed? 2010 to 2024 (How have English council's funding and spending changed.pdf (ifs.org.uk))

- Adequate funding should come from general taxation/central government, at least at the same level as for other public services.
- The Fair Funding Review has been repeatedly delayed, most recently to beyond 2025. Councils need long-term funding certainty, and the review should look at the totality of resources needed by councils, not simply re-distribution of the current pot.
- The distribution of central government funding should ensure that the most deprived council areas are properly funded to reflect the greater reliance of poorer people and women on local services. Current deprivation levels should be included in any future local authority funding formula to ensure genuine 'levelling up'.
- The shift to dependence on Business Rates and Council Tax should be reviewed, while giving councils greater autonomy and powers to generate local income.
- Cuts to funding of voluntary sector women's services must be reversed at a minimum as part of a review of sustainable funding for the sector to support and protect women survivors/victims of sexual and domestic abuse.
- Decent pay and conditions for local government workers, commensurate with other public sector groups, should be ensured through adequate funding to councils and an end to privatisation as a means of cutting women's incomes.

Introduction

Local government is responsible for providing or funding many of the services crucial to the daily lives and well-being of women and those they care for – children, families and vulnerable adults. These services include social care, schools, housing, domestic violence services, transport, youth and leisure services, public health, business support and planning and waste collection. Traditionally councils have also been a key source of funding for voluntary sector projects from which women benefit too.

Many of these services provide care to children and adults in need of support, including disabled and elderly people. Women continue to do most of the unpaid child and adult care work and so these services are integral to redistributing unpaid care and ensuring women have equal opportunity to participate in the paid economy.

Local government is also an important source of women's paid employment, although austerity has led to a decline in local government jobs across the UK from 2,918,000 in 2010 to 2,002,000 in 2023².

In 2022, 74% of 1,186,300 council employees in England were women. More women worked part-time than full-time in local government in every region except Greater London³. In England, there are around 20,000 elected councillors – only 36% of whom are women and 4% from a Black or Minority Ethnic background⁴.

Statutory duties

There are over 1,300 statutory duties placed upon local government, including the duty to ensure that children are educated, the assessment of social

care needs and care commissioning, the provision of a 'comprehensive and efficient' library service, the promotion of the welfare of children in need and the requirement to ensure sufficient childcare for working parents or those in education or training. The 2021 Domestic Abuse Act placed a new statutory duty on councils to assess the needs of and commission support for victims of domestic violence and their children.

Other duties include waste collection, monitoring of air quality, maintenance of roads and bridges and reimbursement of travel operators for travel concessions. Councils must also provide 'sufficient sanitary conveniences', ensure safe food and provide facilities for disabled people in their homes.

How is local government organised and funded?

There are 317 councils in England. 164 of them are district councils, with responsibility for waste collection, housing, planning and council tax collection. The rest are 'upper tier' authorities – shire county councils, containing shire districts – and 'single tier' London boroughs, metropolitan districts and unitary authorities, which are responsible for social care and education, alongside all other local services.

There are three main sources of local government funding in England:

- 1) Grants from central government, including the Rate Support Grant (RSG).
- 2) Council Tax: Council tax is a direct tax paid by residents and set by each individual authority. Authorities can retain all the

² ONS (March 2024) Public sector employment, UK

³ ONS (June 2024)

(<https://www.local.gov.uk/sites/default/files/documents/QPSES%202024%20Q1%20WEB.xlsx>)

⁴ LGIU (2022) Local government facts and figures: England (<https://bit.ly/35VVgYp>)

funding raised from council tax in their area to support their budget.

- 3) Business Rates: Business rates and the multiplier are set by central government. Currently, local government collectively retains half of the income from business rates, the other half is paid by councils to central government, which uses the income to fund grants to local authorities. In anticipation of a (hitherto unrealised) move to universal Business Rate Retention in 2020, some councils have also been pilots for 75% or 100% Business Rate Retention, further reducing central Government support.

Only some local government funding is controllable by local authorities, while other income streams, like schools, police or benefits claimants are passed through local authorities to other bodies⁵.

The proportions of Business Rate and Council Tax income vary significantly between local authorities, depending on the local council tax base, the local economy, demography and the services provided. In poorer areas and in those where the local economy is weak, income from council tax and business rates is lower than in richer areas. However, demands for services such as social care and housing are often higher in poorer areas which generate less income from local taxation.

The proportion of revenue expenditure derived from council tax alone rose from 40% in 2009/2010 to 60.2% in 2022/2023, impacting poorer areas with a reduced ability to raise council tax the hardest.

⁵ National Audit Office (2018) Local authorities (<https://bit.ly/32wZAbW>)

⁶ LGIU Local Government Information Unit (2008) Back to front: efficiency of back office functions (<https://bit.ly/2BZbiOR>)

Councils also raise funds from trading and investment and sales, fees and charges and may receive other income from transfers and payments from other public bodies including the NHS and other local authorities. Local authorities have increasingly been forced to borrow to invest in commercial activity to generate compensatory income for local services in recent years.

Local government and the impact of austerity

Under austerity policies from 2010, local authorities faced cuts to their budgets, on top of budget reductions through 'efficiency reviews', the Best Value regime, and other cuts measures under previous administrations⁶. These were followed by Covid and recent spiralling inflation. As well as reducing core services, cuts have also impacted on important voluntary sector projects for women funded by councils.

According to the LGA, local authorities face a funding gap of £6 billion in the next two years, with 88% of councils planning to use reserves to manage cuts⁷.

Cuts to local authorities have varied greatly around the country, and the impacts have not been distributed evenly. Cuts in so-called 'Red Wall' urban area budgets have been severe since the onset of austerity in 2010, compared to surrounding, largely rural county councils which nonetheless have also suffered major reductions in CSP.

For example, between 2010 and 2021, North Yorkshire faced cuts of 15.6% compared to Bradford's 34.5% and Sheffield's 34%.

⁷LGA (2024) Relationship reset with whoever forms next government needed as councils face more than £6bn funding gap (<https://www.local.gov.uk/about/news/relationship-reset-whoever-forms-next-government-needed-councils-face-more-ps6bn-funding>)

Lancashire's budget was cut by 22%, while Knowsley, Manchester and Blackburn-with-Darwen faced reductions of over 37%⁸. Most London boroughs, which contain some of the highest areas of deprivation in England, also faced cuts of over 35%, compared to 11% and 16.4% in surrounding Surrey and Kent. Overall, metropolitan authorities have seen a 24% real terms cut in their spending power since 2010-11, the same scale of loss experienced by London boroughs, while the drop in funding shire districts has been of around 7%⁹.

While spending has been slashed across the board for the majority of councils, these cuts have impacted certain services more than others. Since the introduction of austerity budgets in 2010, net spending on cultural services has been cut by 43% per person in real terms, while roads and transport spending has decreased by 40%, housing by 35%, and planning and development by a third¹⁰. With the exception of adult and child social care, which nonetheless faces pressing challenges¹¹, council spending has decreased since 2010 in all areas, with education being hit the hardest by spending cuts.

In addition, there have been a series of one-year Funding Settlements that have impacted the ability of local councils to plan their spending in advance. The Local Government Association has expressed concern regarding the short-term nature of increased grant funding, which would be excluded from the baseline used to establish transitional support in any future change in the funding system¹². The LGA has also noted that no funding

or information about funding for public health services is included in the Settlements, while councils faced renewed demand for public health support in the wake of Covid-19.

The 2024/2025 Funding Settlement

The 2024/2025 Funding Settlement, approved on 7 February 2024, was the sixth successive one-year settlement. The promised Fair Funding Review has been further deferred until 2025, which the LGA claims will further hamper financial planning and sustainability¹³.

Total available funding for 2024/25 (Core Spending Power/CSP) will be £64.7 billion – an increase of £4.5 billion since last year (6.5%). Central government (Settlement) funding from general taxation will increase on the same basis to £18 billion – an increase of £0.9 billion from 2023/24 (5.2%). Once adjusted for population growth, funding from central government for 2024/25 will rise overall by 5.2%.

However, although this small increase represents a rise since 2016/2017, the benefits will not be evenly shared across councils¹⁴. Real core spending power has decreased since 2015/16 for over half of all local authorities¹⁵. Inflation and population growth over the period of the settlement are not factored in, except for the centrally funded element, which is now increased by CPI – not RPI as in previous years. As of 2024/25, core spending power remains 11% below its 2010/11 level in real terms¹⁶.

⁸ Ibid.

⁹ The MJ (2024) 14 Years On: the Winners and Losers (14 years on: The 'winners' and 'losers' (themj.co.uk))

¹⁰ The Guardian (2024) How a decade of austerity has squeezed council budgets in England (<https://www.theguardian.com/uk-news/2024/jan/29/how-a-decade-of-austerity-has-squeezed-council-budgets-in-england>)

¹¹ WBG (2024) Social Security and Gender

(<https://www.wbg.org.uk/publication/social-care-and-gender-briefing-for-a-new-government>)

¹² LGA (2022) Provisional local government finance settlement 2022/23 (<https://bit.ly/3u5b5nq>)

¹³ LGA (2023) Final local government finance settlement 2023/2024, House of Commons, 8 February 2023

¹⁴ House of Commons Library (2023) Local Government Finance Settlement

¹⁵ House of Commons Library (2024) Local Government Finances (<https://researchbriefings.files.parliament.uk/documents/CBP-8431/CBP-8431.pdf>)

¹⁶ House of Commons Library (2024) Local Government Finance Settlement 2024/25

Funding beyond 2025 remains uncertain. The LGA has warned that there is a £6 billion funding gap over the next two years¹⁷, with vital services such as adult and children's social care being hit the hardest and more and more councils stretching their budgets past their limits.

Outsourcing

In addition to cuts, local government has long been the focus of central government policies requiring widespread commissioning and outsourcing of services¹⁸.

Almost 14% of GDP – £251.5 billion per year – was spent overall on UK public procurement in 2017 and local authorities account for a large proportion of outsourced public services by value across all sectors¹⁹. Procurement of services and goods accounted for 47% of local government expenditure in 2017-18 and rose by 7% in value between 2010-11 and 2017-18²⁰.

Although local authority outsourcing has continued, there has been a slowdown in recent years, with contract award values falling by roughly 50% from £7.9 billion in 2021 to £4.4 billion in 2022²¹. 77% of councils surveyed by the Association of Public Service Excellence in 2019²² intended to insource services and some councils – such as Barnet, Stoke and Oldham – have brought a raft of services back in-house.

(<https://researchbriefings.files.parliament.uk/documents/CBP-9956/CBP-9956.pdf>)

¹⁷ LGA (2024) Relationship reset with whoever forms next government needed as councils face more than £6bn funding gap

(<https://www.local.gov.uk/about/news/relationship-reset-whomever-forms-next-government-needed-councils-face-more-ps6bn-funding>)

¹⁸ Starting with the Conservatives' Local Government and Planning Act 1980 and Compulsory Competitive Tendering

¹⁹ House of Commons Public Administration and Constitutional Affairs Committee (2018) After Carillion: public sector outsourcing and contracting (<https://bit.ly/2KIB7cw>)

²⁰ Institute for Government (2018) Government procurement: the scale and nature of contracting in the UK (<https://bit.ly/2E2BaO2>)

However, 79% of social care jobs are outsourced²³ – largely to the private sector – while other forms of privatisation such as PFI, shared services and Public-Private Partnerships have resulted in large swathes of local authority workers finding themselves transferred involuntarily out of council employment.

Replacement of EU Funding

Prior to Brexit, local authorities and UK Regions received significant investment from EU Structural Funds to support business development and employment-related projects, totalling £5.3billion²⁴.

The Government announced details of the UK Shared Prosperity Fund (UKSPF) to replace EU funding in 2022. It amounts to £2.6 billion over three years, with each lead local authority receiving at least £1 million. Councils had to submit local investment plans by August 2022.

The impact on women

Women, particularly Black, Asian and Minority Ethnic and Disabled women have been disproportionately impacted by cuts to local government services and jobs because they are more likely to work in local government, more likely to rely on local services and more likely to have to increase their unpaid work when services are cut²⁵.

²¹ LocalGov (8 February 2023): Tussell Local Gov Quarterly Update: 2022 Q4

²² Guardian (May 2019) Why councils are bringing millions of pounds worth of services back in-house

²³ Skills for Care (2022) The state of the adult social care workforce in England 2022

²⁴ LGA (2019) £5.3bn EU cash countdown: regional aid funding to run out in 18 months (<https://bit.ly/32xGVgg>)

²⁵ For more information see WBG (2019) Triple whammy: the Impact of local government cuts on women (<https://bit.ly/3mmy7S2>); WBG and The Runnymede Trust (2018) Intersecting inequalities (<https://bit.ly/2PFrb1N>)

Drastic reductions in funding, coupled with the impact of Covid-19 and the cost-of-living crisis, have already had – and will increasingly have – a severe impact on councils’ ability to provide services and support to women and children and vulnerable people²⁶. They also have a negative impact on the ability of other public services and the voluntary sector to function effectively. They are undermining prevention and leading to more crisis interventions by the NHS and other public services, particularly in poorer areas. These are often costlier and less effective in the long term²⁷.

Spending cuts have significantly impacted funding for vital services, such as those supporting victim/survivors of violence against women and girls (VAWG). A significant portion of funding for VAWG services comes from local authorities’ budgets. Almost half (49.0%) of organisations surveyed by Women’s Aid reported they were forced to run an area of their domestic abuse service without dedicated funding, including services like therapeutic support, children’s services and domestic abuse prevention²⁸. Some centres, like the Suffolk Rape Crisis, have announced their closure due to insufficient funding²⁹.

Cuts have also led to almost 1 million redundancies in councils across the UK between 2010 and 2022, while employment in central government and the NHS has risen³⁰. There have also been severe cuts to pay and conditions for local

government and school workforces in England since 2010 compared to other public sector groups, including a real-terms decline of 25% in pay and cuts to core conditions in 90% of councils³¹.

The impact of Covid-19 on women’s lives – especially on working-class, Disabled women and single mothers – was dramatic and exacerbated the effect of cuts since 2010³². The current cost and income crises are wreaking further havoc^{33 34}. Women – who were the vast majority of frontline workers tackling Covid-19 – are still bearing the brunt of domestic labour, childcare, home schooling and poverty. Meanwhile, services to support women as mothers and workers deteriorate. Ofsted data showed that between 1 April 2021 and 31 March 2022 there was a net overall decrease of 4,000 childcare providers in England, the largest decline in six years³⁵. Poverty and discrimination during pregnancy remain rife³⁶ and domestic violence has escalated^{37 38}. Councils will need continuing, increased funding to respond effectively.

Failure to assess equality impact

The disproportionate impact of local authority cuts is in part explained by the failure of central and local government to properly assess the gender and race impact of budgets and cuts: A 2020 study³⁹ showed that only 87 local authorities had carried out equality impact assessments or

²⁶ LGA (2023) Final local government finance settlement 2023/2024, House of Commons, 8 February 2023

²⁷ The IFS (2019) The health effects of Sure Start (<https://bit.ly/2HpqpHq>)

²⁸ Women’s Aid (2024) Domestic abuse services struggling to fill critical gaps in a challenging landscape, exacerbated by the rising cost-of-living (<https://bit.ly/4c3iKYf>)

²⁹ BBC (2024) Sexual Violence Support Charity Announces Closure (<https://www.bbc.co.uk/news/articles/ce99qw2n9y5o>)

³⁰ ONS (2019) Public sector employment UK (<https://bit.ly/3bYkHaj>)

³¹ UNISON (2023) 2023-2024 NJC pay claim

³² WBG et al (2020) BAME women and Covid-19 – research evidence (<https://bit.ly/3hvUd12>)

³³ WBG (2022) The Cost Crisis: A Gendered Analysis

³⁴ WBG (2022) The Income Crisis: A Gendered Analysis

³⁵ The Guardian (September 2022) ‘I’ve never been so low’: the childcare providers facing closure over rising costs

³⁶ Maternity Action (2022) Cost of Living on Maternity Leave survey

³⁷ Maternity Action (2020) COVID 19: new and expectant mothers in the front line (<https://bit.ly/3bZWdgn>)

³⁸ Women’s Aid (2020) A perfect storm (<https://bit.ly/3c3k6nu>)

³⁹ Adisa, O. and Costello, F. (2020) Equality impact assessments and equality responsiveness of budgets in English local authorities. University of Suffolk

mentioned that they had given due regard to equal opportunities. Unitary authorities, London councils and metropolitan boroughs were more likely to have undertaken equality impact assessments than district and county councils. 47% unitary authorities, 43% London councils, and 39% metropolitan boroughs had complied, compared to 15% of district councils and 18% of county councils.

Despite the importance of local government as a source of employment and services for women, the Department for Levelling Up, Housing and Communities' (DLUHC) Equality Statement on the 2023/2024 Finance Settlement noted that "local authorities decide how their resources are allocated. It is not, therefore, possible to say for certain how changes in funding will affect specific groups of persons sharing a protected characteristic". It further stated that the main protected characteristic raised by councils in DLUHC's consultation on the provisional settlement was age – highlighting the lack of awareness of the importance of local government for women at all levels of government⁴⁰.

Equality Impact Assessments should be the main way of ensuring that public bodies adhere to the Public Sector Equality Duty which requires them to have 'due regard' for the equality of people with 'protected characteristics' (age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, and pregnancy and maternity). The failure of the Government to assess the impact of coronavirus on women led to calls for the Equality and Human Rights Commission to investigate this failure⁴¹.

The future of local government funding

Funding remains way below its 2010 levels and the small increases in the 2024/2025 Settlement are dependent on increased council tax hikes and social care precepts, rather than increased central government support. In addition, the Government has further postponed its plans for the promised local government Fair Funding Review and councils are faced with ongoing financial uncertainty.

The Women's Budget Group calls on the government to recognise the severe and gendered impacts of cuts to local authority funding since 2010 and undertake meaningful Equality Impact Assessments on all future finance settlements. We also call for plans to remove central government funding from local authorities to be scrapped. Councils too should carry out EIAs and highlight the impact of cuts on different groups of women. Significant reinvestment, not further reduction, is needed to stop these detrimental impacts on the lives of all women and girls, especially Black, Asian and Minority Ethnic, elderly and Disabled women.

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⁴⁰ DLUHC (February 2023) Final Local Government Finance Settlement 2023 -2024: policy impact statement

⁴¹ The Guardian (14 Feb 2021) EHRC urged to investigate ministers for 'equality failures' in Covid response (<https://bit.ly/3q6vG9O>)

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