

# Response to the Spring Statement 2025

**WBG's alternative feminist response to a  
changing world**

## Summary

The current geopolitical and economic circumstances are challenging, but many issues the UK faces are long-standing and homegrown. Austerity policies in the last couple of decades have significantly weakened our economic and fiscal ability to respond to challenging global circumstances. Our public services have been neglected for too long, we face rising levels of poverty, especially amongst children, housing is unaffordable for increasing numbers of people, and wealth inequality has increased. Women continue to bear the brunt of care work without sufficient economic support or recognition. Instead of cuts to social security, which will throw hundreds of thousands into poverty in the name of balancing the books, we need a rebalancing of the scales so the wealthiest contribute their fair share to the things that make us collectively prosperous. This should make us stronger as a country to withstand global shocks.

Global uncertainty calls for a different approach to fiscal policy - spending on defence should not come at the expense of investment in the true foundations of our economy, like care, education and social security. Cutting foreign aid to pay for military spending will further disadvantage some of the poorest women and girls around the world. It will not make the UK safer. Whilst supporting Disabled people and encouraging them into paid work is a good thing, the Government's plans to cut health and disability benefits will further impoverish Disabled women and carers who have been at the sharp end of austerity cuts since 2010. Any savings on disability and health spending should result from effective policies that support those who can enter the labour market, along with inclusive and flexible work opportunities. The cuts proposed by the Government are likely to push people away from the labour market. For many Disabled people, the goods and services they buy with PIP enable them to stay in work. Dealing with extreme poverty can make it harder for people to focus on finding work.

Instead of cutting support to some of the most disadvantaged women in the UK and abroad and further cutting public services, the Chancellor could look at improving our tax system and reviewing her fiscal rules. A wealth tax to match the obscene increases in wealth the richest in the UK have amassed in the last few years<sup>1</sup> would be the right thing to do and a popular

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<sup>1</sup> Oxfam (2025) [Billionaire wealth surges three times faster in 2024 - world now on track for at least five trillionaires within a decade](#)

policy<sup>2</sup>. Other reforms would also make the way revenue is raised fairer, for example ensuring that everyone pays National Insurance and, by abolishing the upper earnings threshold, making contributions progressive.

The Spending Review in June and the Budget in the Autumn are pressing opportunities for the Chancellor to show that the Government is seriously committed to fixing these interlinked crises through sustained investment in a Green and Caring Economy. The wellbeing of people and environmental sustainability should be at the forefront of economic policy. This is what underpins a strong economy. Prosperity should not be narrowly equated with economic growth.

In the meantime, the Chancellor should review her fiscal rules to ensure the Government has enough flexibility to allow borrowing for some proportion of 'day-to-day' spending that has important socio-economic benefits. She should also introduce reforms to taxation to increase revenue and tackle rising wealth inequality.

## The current economic and fiscal outlook

Even by the narrow criteria of GDP growth, the UK's economic landscape is bleaker than last Autumn. The forecast for economic growth was halved for this year, from 2% to 1%, and will remain very limited for the whole parliament, despite the Government's interventions<sup>3</sup>. Energy costs are up, pushing inflation to higher levels than expected - inflation is now forecast to peak at 3.8% in mid-2025 and come down to around 2% for the next few years<sup>4</sup>. Borrowing costs for the government are also up, meaning the Government is paying more to service its debt than expected, while tax receipts are lower than predicted<sup>5</sup>. Two new challenges have materialised since late 2024: pressures for more spending on defence due to a geopolitical realignment from the US and tighter global trade restrictions, also caused by a change in US policy.

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<sup>2</sup> Oxfam (2025) [Three quarters of British public would back government tax increases on very richest versus spending cuts](#)

<sup>3</sup> OBR (2025) [Economic and Fiscal Outlook - March 2025](#): Chapter 1: Executive Summary, 1.6

<sup>4</sup> OBR (2025) [Economic and Fiscal Outlook - March 2025](#): Chapter 1: Executive Summary, 1.8

<sup>5</sup> Resolution Foundation (2025) [Unsung Britain bears the brunt: Putting the 2025 Spring Statement in context](#)

More importantly, the picture of living standards is not good. While the Treasury's own impact assessments project that living standards will be on average £500 higher by 2029<sup>6</sup>, the poorest half of the (working-age) population is set to lose £500 from the changes announced in the Spring Statement, according to the Resolution Foundation<sup>7</sup>. This is mostly due to the health and disability benefit changes, which concentrate losses in the lowest deciles.

### **Forecasts and economic policy**

On the day of the Spring Statement, the OBR released its biannual assessment of the current UK economy and public finances and a forecast for the following years. The OBR also estimates the impact on the economy of the government's proposed policies, including changes in spending and revenues, and the compliance with the fiscal rules defined by each government.

However, forecasts are highly uncertain and hardly robust in a volatile world. Furthermore, the official statistics on the labour market and population have been mired in unreliability issues lately, adding further uncertainty to the forecast.

Making spending decisions based on shaky forecasts that are likely to change again in a few months' time is not a good way to implement economic policy or fix the economy's foundations. However, decisions to comply with them, such as cuts to health and disability benefits, can have a real, long-term and detrimental impact on people's incomes and living standards.

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<sup>6</sup> The Treasury's impact assessment includes income plus public spending to arrive at the average gain of £500 by 2029, while the Resolution Foundation focuses on income alone and on the poorest half of the population. HM Treasury (2025) [Impact on households: distributional analysis to accompany Spring Statement 2025](#)

<sup>7</sup> Resolution Foundation (2025) [Unsung Britain bears the brunt: Putting the 2025 Spring Statement in context](#)

## What was announced in the Spring Statement

All of these factors combined have reduced the Chancellor's capacity to spend within her (self-imposed) framework of fiscal rules and commitment not to raise taxes: Rachel Reeves wants to match day-to-day spending with income (the 'stability rule') and see debt as a percentage of GDP decreasing (the 'investment rule') both by the end of this parliament.

In the Spring Statement the Chancellor reiterated the Government's direction of travel, with most of the announcements already trailed before: changes to health and disability benefits included in last week's Green Paper, a lower increase in departmental current spending overall, while reiterating an increase in the defence (capital) budget to match 2.5% of GDP by 2027 funded by a reduction in the foreign aid budget, and changes to the planning system to facilitate housebuilding.

The Chancellor is hoping that the announced spending tweaks and favourable economic circumstances will increase her room for manoeuvre for spending on public services. We have serious concerns about this approach.

First, the volatility of the current US administration is likely to continue to negatively affect the UK economy. The OBR cautioned that the impact of additional US tariffs on UK exports is likely to lower the rate of the UK's economic growth, although the effects are highly uncertain. Second, and most importantly, investment in the foundations of our economy is a prerequisite for economic prosperity rather than a consequence.

### **Health and disability benefit changes**

The Spring Statement 2025 included the changes to health and disability benefits announced under the *Pathways to Work: Reforming Benefits and Support to Get Britain Working* Green Paper<sup>8</sup> plus some additional measures, leaving the main reforms as follows:

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<sup>8</sup> DWP (2025) [Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper](#)

- Tightening of eligibility criteria for the daily living element of the Personal Independence Payment (PIP). People will now need to score at least 4 points on at least one activity of daily living element<sup>9</sup>.
- Scrapping the Work Capability Assessment (WCA). Additional Universal Credit (UC) support for health conditions will be based on the PIP assessment.
- The contribution-based Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA) will be replaced by new employment insurance based on contributions to the system, non-means tested and with a time limit.
- The UC health element will be frozen until 2029/30 for current claimants. For new claimants, it will be cut to £50 per week in 2026/27 and frozen until 2029/30.
- The UC standard allowance will increase above inflation by 2.3% in 2026/27, and then by 4.8% in 2029/30<sup>10</sup>.

The health and disability benefits changes announced in the Green Paper will reduce spending by £4.8 billion in 2029/30. Tightening the PIP eligibility criteria and cutting the UC health element are the primary sources of savings for the government<sup>11</sup>.

The Green Paper also included some proposed reforms subject to consultation with civil society, which means they haven't been assessed for their impact yet. We focus on the confirmed reforms here.

Beyond the negative impact these changes will have on Disabled people, carers and children (see section below), there are issues with the process through which these were designed. The Chancellor amended proposals announced only a week earlier by the Secretary of State for Work and Pensions, hinting that reforms are about cuts rather than attempts to help people back to work. This undermines the moral case for reform.

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<sup>9</sup> Examples of things that only score two points: being unable to wash below the waist, being unable to dress below the waist, needing reminding to take medication.

<sup>10</sup> OBR (2025) [Economic and Fiscal Outlook - March 2025](#): Chapter 3: Policy measures, 3.14.

<sup>11</sup> OBR (2025) [Economic and Fiscal Outlook - March 2025](#): Chapter 3: Policy measures, 1.14

Disabled people deserve proper financial and work support, and the social security system should treat everyone with dignity and respect. Reform is needed, but it should be carefully thought through and co-designed with the people affected.

## Public service spending changes

Day-to-day public spending was revised down in the Spring Statement, most notably from 2026/27 to 2029/30. Under current spending plans, 'unprotected' departments like justice and local government will see a 0.8 per cent real-terms cut from 2026/27<sup>12</sup>. This is because some departments like health and defence already have commitments to additional spending. Cuts to 'unprotected' departments will have severe consequences for, for example, tackling court backlogs and for schools to support the long-term impact of Covid-19 on students' educational attainment. Pressures for departments to find efficiencies are unrealistic given the significant cuts already experienced since 2010. It is risky to rely on Artificial Intelligence to increase productivity in public services: it will yield limited results as essential services like care and education are relational, and the existing bias can result in further discrimination and inequality for women and other marginalised groups from AI-led decisions<sup>13</sup>.

We do welcome the Chancellor's decision not to cut capital spending. Previous governments have been too ready to cut capital spending when faced with challenging fiscal circumstances as the impact of cuts to investment take longer to materialise. These previous decisions are the reason school roofs are crumbling around the country<sup>14</sup>, or that retrofitting of homes has dropped in the mid-2010s<sup>15</sup>.

## Foreign aid cuts

The biggest increase to capital spending was due to the funnelling of Official Development Assistance (ODA) spending into Ministry of Defence capital spending<sup>16</sup>. ODA spending will be gradually cut from 0.5% of the Gross National Income (GNI) to 0.3% in 2027. The Treasury estimates savings from reducing ODA spending will be £11.8 billion between

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<sup>12</sup> OBR (2025) [Economic and Fiscal Outlook - March 2025](#): Chapter 5: Public sector expenditure, 5.29.

<sup>13</sup> UN Women (2024) [Artificial Intelligence and gender equality](#).

<sup>14</sup> House of Commons Library (2023) [School buildings and capital funding \(England\)](#).

<sup>15</sup> House of Commons Library (2025) [Energy Efficiency of UK Homes](#).

<sup>16</sup> OBR (2025) [Economic and Fiscal Outlook - March 2025](#): Chapter 1: Executive summary.

2025/26 and 2027/28<sup>17</sup>. The rise in capital defence spending will reach £6.4 billion in 2029/30<sup>18</sup>.

Cutting foreign aid to expand military spending will harm some of the most vulnerable communities around the globe, increase global instability and migration pressures in the UK, and further increase the need for defence spending to achieve security.

## **Housing and changes to the planning system**

A welcome focus of this Spring Statement was housing. In December 2024, the Government announced a revised National Planning Policy Framework (NPPF) to remove blockages in the planning system to make building homes and other physical infrastructure easier and quicker<sup>19</sup>. It is important to get new quality homes and essential infrastructure such as energy, railways, hospitals and schools to improve living standards and strengthen the economy across the country. The expected effect of these reforms was included in the Spring 2025 Economic and Fiscal Outlook. The OBR projects that the Government's residential planning reforms will increase housebuilding by 170,000 over the next five years and positively impact the economy, increasing GDP by 0.2 percent in 2029/30<sup>20</sup>. Moreover, if the plans stay in place beyond 2030, the OBR estimates GDP could rise around 0.4 percent in 2034/35. However, the increase in housebuilding will depend on several factors, including workforce availability and capacity constraints in the sector.

Better regulation and additional housing should not come at the expense of robust green credentials or environmentally harmful developments. Alongside new developments, there should be a renewed commitment to retrofit the existing stock.

We welcome the Government's commitment to tackle the housing crisis and look forward to their Long-Term Housing Strategy and more details on promised investment in social and affordable housing<sup>21</sup>. New homes must be truly affordable if we are to tackle poverty and the high costs of homelessness (for the individual and the state).

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<sup>17</sup> HM Treasury (2025) [Spring Statement 2025](#).

<sup>18</sup> OBR (2025) [Economic and Fiscal Outlook - March 2025](#): Chapter 3: Policy measures.

<sup>19</sup> Ministry of Housing, Communities and Local Government (2025) [National Planning Policy Framework](#)

<sup>20</sup> OBR (2025) [Economic and Fiscal Outlook - March 2025](#): Chapter 3: Policy measures

<sup>21</sup> HM Treasury (2025) [Spring Statement 2025](#)



# The impact on women and girls

## Social security changes

### ***Losers are overwhelmingly Disabled people who are already disproportionately likely to be in poverty***

The proposed health and disability reforms will mainly impact households with a disabled person. According to the DWP equality analysis, 96% of those expecting to lose are in a household with some disability, facing a loss of £1,730 per year. One in five disabled households will be worse off because of these policy decisions<sup>22</sup>.

Tightening eligibility criteria for Personal Independence Payments will mean that some people will lose their benefits even though their circumstances haven't changed. Cutting support for those who face additional costs due to disability has little to do with improving incentives to work. It could push them further away from the labour market. These cuts will only add to the pressures Disabled people already face, on top of the loss of support caused by austerity cuts since 2010<sup>23</sup>.

The OBR estimates the changes in PIP will impact around 800,000 people, with an average loss of £4,500 per year according to DWP<sup>24</sup>, while the changes to the UC health element will reduce the incomes of 3 million families<sup>25</sup>. Analysis by DWP shows that existent claimants will lose £500 per year, and new claimants will lose £3,000 per year on average. Couples where one partner is a carer to the other who loses their PIP stand to lose over £12,000 a year.<sup>26</sup>

### ***Disabled women could be particularly at risk***

The DWP's equality analysis confirmed that women are going to be the hardest hit by these cuts, which is to be expected since women are more likely to be Disabled and therefore to rely on disability benefits<sup>27</sup>. Of those losing out as a result of the full package of reforms outlined in the Green Paper, 44% are single women, facing an average loss of £1,610 per year, while

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<sup>22</sup> DWP (2025) [Spring Statement 2025 health and disability benefit reforms - Equality Analysis](#)

<sup>23</sup> WBG (2024) [Where do we go from here? An intersectional analysis of women's living standards since 2010](#)

<sup>24</sup> DWP (2025) [Spring Statement 2025 health and disability benefit reforms - Impacts](#)

<sup>25</sup> OBR (2025) Economic and Fiscal Outlook

<sup>26</sup> JRF (2025) [How health-related benefit cuts add up](#)

<sup>27</sup> ONS (2023) [Disability by age, sex and deprivation, England and Wales: Census 2021](#)

single men represent 34%, with an average loss of £1,460. Although women also make up most of those gaining from the changes (59%), the gains are much smaller at just £380.

Young Disabled women may stand to lose more if the Government decides to go ahead with restricting the health element of UC to over 22-year-olds. This proposal is currently under consultation.

WBG has long advocated for the importance of conducting and publishing Equality Impact Assessments and appreciates the DWP's efforts to share some information about those affected by these reforms, something not seen regularly under previous governments. However, we encourage the Government to go beyond the data published here and carry out a full Equality Impact Assessment.

### ***The impact on carers was not fully considered***

Besides the disproportionate impact of the reform package on Disabled women, we anticipate worrying indirect effects. Firstly, PIP is one of the benefits that enables a carer to access Carer's Allowance (£82 per week)<sup>28</sup>. Reducing the number of people receiving PIP means some carers will no longer be entitled to it. DWP estimates that 150,000 people will not receive Carer's Allowance or the UC Carer Element due to the policy changes<sup>29</sup>. Women represent 72.5% of those receiving Carer's Allowance<sup>30</sup> and are, therefore, more likely to be affected by the reform. Disappointingly, the disproportionate impact on women of limited access to Carer's Allowance was not included in the equality analysis conducted by DWP.

Thus, not only are the incomes of Disabled people being reduced, but support for full-time carers is also being cut. Reducing state support does not mean Disabled people will stop needing help with daily activities. Someone will have to cover those needs through unpaid work, and it is typically women who take on this responsibility. Increased caring duties and unpaid work mean less time available to participate in the labour market, leading to lower earnings today and throughout life as a result of reduced pension contributions for many women.

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<sup>28</sup> GOV.UK (n.d.) [Carer's Allowance: How it works](#).

<sup>29</sup> DWP (2025) [Spring Statement 2025 health and disability benefit reforms - Impacts](#)

<sup>30</sup> DWP (2025) Stat-Xplore. CA: Cases in Payment - Data from May 2018. Data for August 2024.

## ***High Risk Pregnancy***

Abolishing the WCA and ESA will also mean that there will no longer be any 'substantial risk' circumstances when someone can be 'treated as' having limited capability for work without scoring 15 points in the WCA.

These circumstances include where someone has or is about to start cancer treatment; someone advised not to work due to infectious disease or contamination; pregnant women where work would pose serious risk to her or her child; someone nearing end of life (though people could also get PIP on these grounds); and those at substantial risk (eg where work would do serious harm to health and could not be prevented or mitigated). Some of these groups may not be eligible for PIP and, therefore, the UC health element, but will be considered in relation to wider PIP reforms<sup>31</sup>.

In the meantime, the WCA reassessments from April 2026 will focus on people within these categories so that women who received incapacity-related benefit originally due to high-risk pregnancy are likely to be reassessed sooner than other recipients with longer-term conditions<sup>32</sup>. Provision for high-risk pregnancy is clearly an issue for women, and pregnancy/maternity is also a protected group in its own right under the Equality Act. The Equality Analysis from the DWP recognises that there may be an 'indirect differential impact' but arising from the protected characteristic of 'sex not maternal status.' Either way, women will be disproportionately affected by the ending of high-risk pregnancy status under the WCA and remain at risk of harm unless there are other ways to take those circumstances into account.

## ***The cuts to health and disability benefits are regressive, and job support may not make up for them***

The social security measures included in the Spring Statement are highly regressive, with low- and middle-income households facing the most significant losses in cash terms and as a percentage of their income<sup>33</sup>. DWP estimates that cuts to disability benefits will increase the

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<sup>31</sup> DWP (2025) [Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper](#) (p29).

<sup>32</sup> DWP (2025) [Spring Statement 2025 health and disability benefit reforms - Equality Analysis](#)

<sup>33</sup> HM Treasury (2025) [Impact on households: distributional analysis to accompany Spring Statement 2025](#); Resolution Foundation (2025) [Unsung Britain bears the brunt](#).

number of people living in poverty by 250,000 in 2029/30, including 50,000 children<sup>34</sup>. This is incompatible with the Government's commitment to reducing child poverty. While these don't take into account the impact of the planned employment support, which may decrease the number of Disabled people and their families facing poverty, it must be noted that in-work poverty is currently very high, so not all of those who will be able to secure a job will necessarily stay out of poverty. In addition, for some Disabled people, work is only possible because of the goods and services they are able to pay for with PIP. For these people, a cut to PIP may push them out of the labour market.

Cuts to benefits are also happening before employment support is in place. For Disabled people, getting the right job with the proper adaptation may take time, so cutting benefits before job support is in place is unfair and counterproductive. Neither the Treasury nor the OBR have modelled the impact of employment support. This means parliamentarians will have limited scrutiny over these reforms that are being introduced as a way to mitigate benefit cuts<sup>35</sup>.

***The increase to Universal Credit should not come at the expense of cuts to additional support for Disabled people***

Our benefit system has long needed reform, so we welcome the increase in the Universal Credit standard allowance and agree that the structure of the social security system should support those who can work to find employment. However, it should also provide financial support for those who are not able to engage in paid work, whether due to sickness, disability, or caring responsibilities. Increases in basic rates of social security (e.g. standard allowance) should not come at the expense of cuts to additional support to Disabled people. The approach taken by the Government appears to have been to cut spending rather than to transform the system to better support those who require additional help.

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<sup>34</sup> DWP (2025) [Spring Statement 2025 health and disability benefit reforms – Impacts](#)

<sup>35</sup> The Guardian (30 Mar 2025) [MPs to vote on disability benefit cuts without knowing 'full impact'](#)

## Key facts from DWP's Equality Analysis

On the same day of the Spring Statement, the Department for Work and Pensions published an equality analysis of the main measures announced in the Green Paper. The analysis covers the expected impact of the policy decisions for different groups by protected characteristics under the Equality Act, subject to data availability. Households with a disabled person and single women are among those losing the most as a result of the planned policy changes.

<b>Losers</b>				
	Number of families losing	Percentage of families losing	Percentage of the characteristic group	Average loss (£ per year)
<b>Disability</b>				
No disability	0.1m	4%	1%	−£1,630
Some disability	3.1m	96%	20%	−£1,730
<b>Families by sex</b>				
Single Male	1.1m	34%	11%	−£1,460
Single Female	1.4m	44%	12%	−£1,610
Couple	0.7m	22%	4%	−£2,340
<b>Gainers</b>				
	Number of families gaining	Percentage of families gaining	Percentage of the characteristic group	Average gain (£ per year)
<b>Disability</b>				
No disability	1.9m	52%	8%	£290
Some disability	1.8m	48%	12%	£560
<b>Families by sex</b>				
Single Male	0.9m	23%	9%	£470
Single Female	2.2m	59%	19%	£380
Couples	0.7m	19%	4%	£500

Note: information on sex is only available for single adults. Data for people living in couples is grouped at the household level. Source: Department for Work and Pensions (2025) [Spring Statement 2025 health and disability reforms - Equality Analysis](#)

## Reduced public spending

Public services are fundamental to promoting gender equality, and real-term cuts for “unprotected” departments will likely have a disproportionately negative impact on women. As women take on more caring responsibilities, they and those they care for are more likely to use public services. Also, women are the majority of those working in public services and would be more affected by job losses. Finally, when public services are cut, women typically cover the lack of public provision of services with their unpaid care work, which limits the time available to engage in the labour market<sup>36</sup>.

Reductions in the budget for local government would be particularly harmful for women and girls. Local governments have experienced significant budget cuts since 2010. A recent survey of the Local Government Association shows that only 44% of respondents believe they will be able to fulfil their statutory duties in 2026/27<sup>37</sup>. Local governments directly provide and also fund specialist services that support victims-survivors of domestic abuse, Disabled women, women who need help navigating the benefits system, women from ethnic minority backgrounds, and women who require legal aid, among others.

## Foreign Aid

The UK is signed up to UN ODA contributions of 0.7% of GNI and Sustainable Development Goals. In 2023, cuts to 0.5% were reported by the FCDO Equalities Impact Assessment 2023 as expected to be ‘severe’ for programmes fostering equalities for women and girls, including those facing ‘acute humanitarian need’<sup>38</sup>. Since 2020, the UK has ‘slashed’ spending on sexual and reproductive health and rights, particularly affecting Disabled women and girls. Between 2019 and 2021, sexual and reproductive health and rights programme funding was cut by nearly 40%<sup>39</sup>. Multilateral funding is down, and bilateral aid was cut in half between 2019 and 2023<sup>40</sup>. In 2023, Ukraine became the top recipient of ODA funding, displacing funding for non-European countries<sup>41</sup>.

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<sup>36</sup> WBG (2019) [Triple Whammy: the impact of local government cuts on women](#)

<sup>37</sup> LGA (2025) [Local government budget setting 2025/26](#)

<sup>38</sup> FCDO (2023) [Equalities Impact Assessment for ODA Allocations 2023-24](#)

<sup>39</sup> House of Commons International Development Committee (2024) [The FCDO's approach to sexual and reproductive health](#): First Report of Session 2023-24

<sup>40</sup> Independent Commission for Aid Impact (2023) [UK aid under pressure: a synthesis of ICAI findings from 2019 to 2023](#)

<sup>41</sup> Independent Commission for Aid Impact (2025) [How UK aid is spent](#)

The Spring Statement is doubling down on this withdrawal of support for women and girls in the most insecure areas of the world, despite the growing movement against gender equality. Only a small proportion of ODA funding leaves the UK. It is used for ODA-approved spending within Britain and is now being funnelled to support the Ministry of Defence (MOD) spending and the arms industry. The Spring Statement says that by 2027, the ODA will fund an increase in NATO-qualifying defence spending of £2.2 billion for the MOD and a £2 billion extension of UK Export Financing, which is being increased by 25% to provide direct lending for arms exports, particularly for military hardware to Ukraine. The Spring Statement deepens the pre-existing trend of moving UK funding away from women and children's health and rights, gender equality and humanitarian relief.

## What an alternative feminist approach would look like

Global uncertainty calls for a different approach to fiscal policy. Funneling foreign aid into military spending will harm some of the most vulnerable women and girls worldwide and undermine global security. The Government's plans to reform disability and health benefits will further disadvantage Disabled women, who have been at the sharp end of austerity cuts since 2010.

It doesn't have to be like this. Faced with challenging economic and geopolitical circumstances, the Chancellor could have chosen a different approach to raising revenue and looked into reforming our tax system to make it more progressive and fair. Tax Justice UK estimates that £60 billion could be raised by closing loopholes, equalising taxes on income from wealth with those on employment, and introducing a 2% wealth tax on those with fortunes over £10 million<sup>42</sup>. The Government could also rationalise and reduce tax reliefs, including (regressive) pension tax reliefs that could release £49 billion in savings for public spending<sup>43</sup>. This wouldn't require Rachel Reeves to change her (self-imposed) fiscal rules and would give the Government enough room to invest in the services foundational to a strong economy.

In the medium term, the Chancellor should look into adapting her fiscal rules to allow the Government to fund the things that contribute to people's living standards and a strong

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<sup>42</sup> Tax Justice UK (2025) [How to raise £60 billion for public services: our ten tax reforms](#)

<sup>43</sup> HMRC (2024) [Private Pension Statistics](#), Table 6: Estimated cost of pension Income Tax and National Insurance contribution reliefs

economy: properly resourced schools, a high-quality social care and childcare system, a healthcare system focused on prevention as well as treatment, a functioning justice system, an effective police force, and social security that truly supports people. Adequately resourcing these vital services would reflect the Government's serious commitment to fixing our economy. Some of this type of spending, that is currently classified as "day-to-day" has long-term, positive fiscal effects, and should be seen as investment - it is not just new hospital buildings or fixing schools' roofs that are needed but also, and crucially, more nurses, midwives, and teachers to power them.

## Looking ahead

At the multi-year **Spending Review** in June, the Government will have an opportunity to make good on their commitment to 'fixing the foundations' of our economy and country by allocating departmental spending based on need, rather than to meet fiscal rules based on forecasts that may not materialise. Full costings should include savings (e.g. investment in adult social care will reduce pressures on the NHS and reduce labour market barriers for unpaid carers) and longer-term return on investment (e.g. investment in early education and childcare for children from disadvantaged backgrounds will improve their educational attainment and productivity later in life bringing in additional tax revenues), not just the upfront cost of resourcing public services.

The Government also has the opportunity to make a mark in changing the lives of the next generation for the better, with the publication of the **Child Poverty Strategy** in the early summer. To tackle child poverty, the Government must maximise mothers' incomes through the twin approach of improving women's access to well-paid jobs and supplementing their incomes through a social security system that prevents poverty in the first place<sup>44</sup>. Investing in public services to properly resource early education and childcare, introduce free school meals and a robust commitment to increase social housing are key areas of government intervention to lower costs to families. As many have demonstrated<sup>45</sup>, there can be no meaningful alleviation of poverty without a serious spending commitment, especially in social security and affordable homes. As with the Spending Review, any costings of interventions

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<sup>44</sup> For more see our [Women's and Children's Poverty: Making the Links](#) report

<sup>45</sup> See for example Action for Children (2025) [Paying the price for child poverty](#)



should include savings and the socio-economic return on investment, in both the short and long term.

Between now and the **next annual fiscal event in the autumn**, the Chancellor has the time to consider alternative solutions to properly resource the necessary public spending while maintaining fiscal sustainability. This can be achieved through changes to how income from wealth is taxed, through introducing a 2% tax on wealth above £10 million, and closing loopholes in our tax system. Given the changed global circumstances, the Chancellor should also start a discussion about carefully considered changes to her fiscal rules, so the Government can raise the money necessary to continue to invest in the foundations of our economy. Such spending will ensure the UK's economy is in a strong position to withstand further global shocks.

Written by Sara Reis and Ignacia Pinto

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For further information contact [press@wbg.org.uk](mailto:press@wbg.org.uk)

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